Friendly's TV ad campaign pushes 'lite' menu

By Howard Riell

WILBRAHAM, Mass. — Friendly is spending between $3 million and $4 million for a spot television ad campaign to introduce its new Lite Menu and other rollouts.

The campaign is currently showing in 20 major markets in all 16 Midwestern and Northeastern states in which the family restaurant chain operates, said Carol Trifone, vice president and accounts supervisor for Quinn & Johnson. It is slated to conclude in late August.

The 30-second spots, which offer close-ups of the items themselves, target men with a new Sirloin Steak Burger and women with "Lite" items, such as soups and seafood salads. "It's a very traditional kind of campaign approach," said Trifone.

The Lite Menu introduction comes at a time when the 715-unit chain is beginning to explore more upscale markets with its ice cream products as well. Friendly began testing a takeout-only dipping store concept called O'Goodies last November in Holyoke, Mass. Unlike a traditional Friendly restaurant, which features a wide variety of ice creams and desserts, O'Goodies essentially offers a single product that customers can tailor to their tastes.

Among the items on the new Lite Menu are seafood and tuna salads in pocket pita rolls, each priced at $2.25; seafood and tuna platters, both $3.95; a seafood combo platter, for $3.95, and two croissant sandwiches—ham and Swiss, for $3.60, and turkey, for $3.85.

New sandwiches include a steak sandwich, priced at $3.65, a Philly Steak sandwich, with cheese, for $3.65 and Philly Steak with peppers (but no cheese) for $3.50. The menu also includes two new cream-based, homestyle soups.

Del Taco files suit over manual 'theft'

By Richard Martin

COSTA MESA, Calif. — Del Taco Inc. has filed a $20 million suit against San Bernardino, Calif.-based Baker's Taco over the company's alleged use of stolen Del Taco operations manuals.

The privately held California fast-Mexican chain, which spawned the W. R. Grace-owned Del Taco Corp. in 1977, charged Baker's with unfair competition and unauthorized use of its trade secrets in the suit.

Attorneys for 172-unit Del Taco said the action is based on information from a Del Taco employee who had previously worked for Baker's, where she said she had used proprietary Del Taco materials on operations, training and management. The employee explained that she had thought Baker's was owned by Del Taco, according to the company's Irvine, Calif.-based attorney, Mike Balmages.

Implicated in the suit are a former Del Taco area supervisor and a former Del Taco unit manager who are now believed to work for Baker's. Officials of Baker's Burgers Inc. referred inquiries to their attorney, who did not return phone calls from *Nation's Restaurant News*. Baker's owns and operates 14 burger-and-taco stands and franchises about a dozen others.

Meanwhile, Del Taco is counting on its six-month-old breakfast program and the 12 to 15 new southern California units planned for the next 12 months to help the chain rebound from a "slight" decline in sales—to $98 million—reported for the fiscal year ended in April. The new-year systemwide sales goal for the chain, which is 37% franchised, is $110 million, company officials indicated.

Breakfasts of pancakes, eggs and combos and such Mexican items as Eggs Benedicto and egg burritos, are "hitting their stride and meeting our goals in terms of percentage of sales [7%-10% of total]," marketing vice president William Coulter said.

Del Taco's lawsuit charges Baker's Taco with unfair competition and unauthorized use of trade secrets.

Citing the "minimal front-end costs" of adding breakfast items to Del Taco's Mexican-and-burgers menu, Coulter also lauded other advantages of the breakfast concept: "If you just announce you're open [during morning hours], nothing happens." Ironically, however, as soon as a banner announces "breakfast," morning-hour sales accelerate—although 50% to 60% of such sales are in regular burritos and tacos.

41 on welfare receive food-service training

By D. M. Levine

JERSEY CITY — In response to increasing demand for food-service personnel, Hudson County is training 41 welfare recipients in the culinary arts.

The 10-week program is providing the students with a course in the basics of food service that will enable them to get jobs, said Ernest Staltare, director of Hudson County Community College's Institute of Culinary Arts.

County officials said the program was created because of the continuing need for food-service workers in the region, which is part of the New York Metropolitan Area. "According to personnel experts, the demand for trained food-service personnel is at an all-time high," said George J. Albanese, the county's human services commissioner.

"This training opportunity in Hudson County is an example of the Department of Human Services' effort to offer more meaningful training to welfare clients that will offer them a future," Albanese said in a statement.

Staltare said the welfare recipients are receiving intensive training in the basics, such as the methods and chemistry of cooking, with exposure to the various facets of food-service operation, including equipment, tools and menu preparation.

"This will prepare them for

*(See **WORKERS**, page 59)*

COMMODITIES

Broiler prices are expected to hold despite heat wave

NRN Special Report

The early June heat wave that hit the Southeastern states killed about a half-million chickens and curtailed the rate of broiler growth, according to Bill Roenigk of the National Broiler Council. The hot weather was unusual only because it was a month earlier than normal. Fortunately, after a week rains and cooler weather alleviated it, but at presstime prices were still elevated, despite apparently ample supplies of broilers available.

Broiler production rates have been running about 4% to 6% above those of last year. With inexpensive feed costs, efficient producers should have adequate profit margins at the prices they were receiving before the heat wave. One major mid-Atlantic packer selling primarily to the consumer trade has announced an increase in contracts with raisers in the mid-Atlantic and Southeastern states. A large Western producer that supplies both the food-service and consumer markets has also indicated plans to increase production in that area.

As long as feed prices remain low—and U.S. Department of Agriculture estimates of feed grain production for this year call for generally bumper crops—the costs of production will be attractive enough for producers to maintain high outputs. The industry, however, is dependent upon fewer producers, since many smaller ones were forced out of the market or bought up by larger firms during the period of high feed prices in the late 70's and early 80's.

Beef and pork prices have been moving up a bit lately, but several factors have worked against a strong rise. One of them has been the general reduction in consumption of red meats consumed at home. Although there has also been a turn toward poultry, seafood and pasta at the food-service level, too, it has not been so pronounced as the cutback in consumer spending on red meats.

Another factor was the relatively mild winter and spring, combined with the low cost of feed grains. Hog farmers and feedlot operators were able to put greater weights on their animals, which provide that much more dressed meat. Low prices for live animals have been another factor. The low return has discouraged producers—particularly when they do not see market prices drop. (The price spread between producer and market has increased by about 10% in the past year, as retailers and purveyors have not passed on the lower prices to customers.)

The result has been that producers are still thinning herds instead of beginning the rebuilding that agricultural economists anticipated. In the short term it has kept prices stable, but eventually the marketing will slow as producers reduce their inventories to minimums. Then operators will see a long haul of higher prices for the red meats.

Seafood presents a mixed supply picture. Although the catch of Alaska King Crab has been another small one, the price of frozen crabmeat and claws has dropped almost 10% from that of last year. Most of the drop has been because of reduced demand as both operators and consumers reacted to the high prices.

Another factor has been the growth of food-service use of surimi products. These look-and-taste-alike products are processed from less expensive white fish (primarily pollock) and can replace the expensive seafood in salads and other dishes where crabmeat is normally used. Although many operators are hesitant to use surimi because of the difficulty of describing it on the menu, its use is expected to grow substantially.

Supplies of codfish blocks and slabs (used in manufacturing fish portions and sticks) have remained tight, but the prices have not changed.

PRICE MOVEMENT AT A GLANCE

	June 17, 1984	May 17, 1985	June 17, 1985
Beans, baby lima, dry, Calif. (lb.)	$0.27	$0.22	$0.225
Beef, Choice, 700-900 lb., Midwest (lb.)	$1	$0.93	$0.89
Broccoli, No. 1, Calif. (case 14s)	$4-$4.50	$4-$5	$3.50
Broilers, Grade A dressed, icepack, N.Y.C. (lb.)	$0.5385	$0.5506	$0.5703
Coffee, green beans, Brazilian, N.Y.C. (lb.)	$1.47	$1.38	$1.40
Crabs, Alaska King meat, frozen (lb.)	$18.25-$18.75	$16.50-$17	$16-$16.50
Eggs, Grade A, large white, Chicago (doz.)	$0.69	$0.53-$0.56	$0.64-$0.67
Lettuce, iceberg, No. 1, Calif. (24s)	$8-$9	$5-$6	$2.50-$3
Pork loins, No. 1, 14-17 lb., Midwest (lb.)	$0.935	$0.85	$0.90

Source: *NRN* Research

Study: Frequent travelers dine in hotels more often

By Peter Romeo

NEW YORK — With many hotels and lodging chains having upgraded their food and beverage (F&B) operations, 70% of frequent travelers now eat in hotel restaurants "most of the time," according to a new study from the American Hotel & Motel Association.

However, the report also showed that room service is an unpopular hotel amenity among frequent travelers, with 54% saying they would be "least likely" to use that form of service.

The *1985 Lodging Guest Survey* gave no indication that a hotel's restaurant helps lure in guests.

Rather, the 1,055 respondents cited that their major reasons for picking a hotel for the first time are location (61%), room rates (49%), appearance and cleanliness (42%) and recommendations (20%). Service, a catchall category that presumably includes restaurants, ranked seventh (12%).

Conversely, the report lent no support to the belief common within the lodging industry that a poor hotel restaurant will discourage a first-time guest from making future visits.

The respondents said the most common reasons for their avoidance of hotels are unsatisfactory service "as in discourteous personnel and lost reservations," according to the AH&MA (cited by 37%); lack of cleanliness (28%); inadequate bathroom supplies (22%), and noise (18%).

REASONS FREQUENT TRAVELERS CHOSE A HOTEL . . .

	Cited by:
Location	61%
Rates	49%
Appearance/ cleanliness	42%
Recommendations	20%

. . . BUT DO NOT RETURN FOR A SECOND VISIT

	Cited by:
Unsatisfactory service	37%
Lack of cleanliness	28%
Inadequate bathroom supplies	22%
Noise	18%

Source: *1985 Lodging Guest Survey*

The study found that frequent travelers—defined as persons who took five or more trips in the year preceding the study—are younger as a group than they were four years ago. Seventy per cent of the respondents indicated that they are age 50 or under, while in a 1981 version of the same study, only 55% fell within that age bracket.

The 1985 survey also found that about 66.7% of frequent travelers earn $30,000 or more annually, a 48% increase over the 1981 tally.

In addition, 44% of the respondents in the 1985 study said they take more than 10 trips a year, a 30% increase over the 1981 finding.

The survey found that women make up 36% of frequent travelers, a proportion surprisingly close to the 1981 figure.

Female frequent travelers use markedly different criteria from those of their male counterparts in deciding whether to visit a hotel for a second time. For instance, 2 out of 3 of the female respondents cited cleanliness and appearance as a prime reason for a return visit, while only half the men cited that factor.

Similarly, 12% of the women said security was an important reason for returning to a hotel. Only 1% of the men cited that as a consideration.

In general, the survey indicated that frequent travelers are being more selective in choosing accommodations, according to Prof. Lee Kruel of Purdue University.

"Today travelers have more choices than ever before, so they're likely to give more attention to the selection," Kruel said.

Unionization 'SWAT team' sent to work

WASHINGTON — The Hotel and Restaurant Employees International Union said it has hired 40 recent college graduates for "SWAT team" unionization blitzes in Boston, Chicago, Orange County, Calif., and here.

The union has budgeted $2 million a year for the organization of hotel and restaurant workers in those cities.

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Wendy's rolls breakfast

(Continued from page 1)
on last year's classic "Where's the Beef?" campaign, according to chain sources.

During the course of the summer, American consumers will be bombarded by three network television spots tied to the theme "Only Wendy's Has . . ." The company hopes to expose 95% of all adults to its breakfast message on a high-frequency basis.

At the forefront of Wendy's breakfast program are four made-to-order omelets featuring such fillings as ham, cheese, mushrooms, onions and green peppers. The omelets, which present a sharp contrast to prewrapped breakfast products, such as McDonald's McMuffins and Burger King's Croissan'wich, could enable Wendy's to make some inroads into a more upscale breakfast niche currently controlled by such coffee shop chains as Denny's and Shoney's.

The remainder of Wendy's new breakfast arsenal includes French toast with hot apple or blueberry topping, a scrambled egg platter and a fried-egg-and-cheese breakfast sandwich served on wheat or white toast and topped with bacon or sausage. Home fries, Danish pastries, toast and juice are offered as side dishes.

IN ADDITION, Wendy's has veered from its original plan of avoiding copycat products by introducing biscuit breakfast sandwiches in a few Southeastern and Southwestern markets. Strong competition from the likes of Hardee's, McDonald's, Mrs. Winners, Bojangles and Kentucky Fried Chicken—all of which feature strong biscuit breakfast programs in the South—most likely influenced the decision.

While Wendy's declined to comment on the program, biscuits are reportedly being tested in about a half-dozen markets from Alabama to Texas. According to franchisees that are now carrying the products, offerings include a sausage biscuit, a bacon biscuit and an egg and cheese biscuit that may also be topped with sausage or bacon.

"The biscuit program is the result of strong demand from the franchise community in the South," an Alabama-based franchisee said. "We wanted the product because it is a necessary part of breakfast in this region of the country."

In a few markets, at least, Wendy's breakfasts are already pulling their weight. According to Barney, per-store breakfast sales in the Columbus, Ohio, market have been approaching $2,000 per week or some 10% of sales. Even higher numbers have been recorded at the chain's two stores along the Illinois toll roads and at some units in Kansas City and New Orleans.

But in the majority of markets, the breakfast program is at least six months away from reaching the break-even point, and some franchisees fear that breakfast will require a year and a half to two years before it ceases to be a drain on the bottom line. The break-even point for breakfast has been estimated at about $1,000 to $1,400 per week in store-level sales.

MEANWHILE, WENDY'S added fuel to widespread speculation that hotdogs may be the next major new product on the chain's horizon. While denying plans for a chainwide hotdog rollout, Wendy's served the all-beef product to security analysts in New York and aired a 30-second television spot that is now being used in selected local markets.

Recently, the chain's test of its All American hotdogs has been expanded from three to 12 markets.

In test stores Wendy's has been offering four varieties of hotdogs, all served on split-top buns, which are buttered on both sides and toasted.

Court rules on H&H suit

(Continued from page 1)
buy all outstanding shares for about $360 million in cash, or $11.50 a share.

A partnership of Horn & Hardart and Jesson Inc., called Jesart, had already purchased 8.4% of Diversifoods' stock and then made an offer to buy all the shares for about $369 million in cash and securities, or about $12 a share. Diversifoods turned down Jesart's bid and unanimously accepted Pillsbury's. Jesart then filed suit in Federal court to block Pillsbury's.

Jesart said other major Diversifoods shareholders were dissatisfied with Pillsbury's bid and threatened to take action at Diversifoods' annual meeting. Diversifoods had postponed it after accepting Pillsbury's offer, but a Nebraska state judge ordered that it be held by July 15. The possibility of a proxy fight at that gathering still existed at presstime.

Horn & Hardart or Jesart's options included the proxy fight and a sweetened bid for Diversifoods' shares, possibly with some other company.

But Diversifoods spokesman Kenneth Pieper said he doubted whether Horn & Hardart had the financial resources to bid higher. He said that Diversifoods had rejected Horn & Hardart's original offer because it was for cash and securities, not cash alone, and that the company resulting from such a merger would be highly leveraged.

Some industry analysts believe Pillsbury made its bid to prevent Horn & Hardart from gaining control over Diversifoods' 375 Burger Kings.

Pillsbury is the parent of Burger King, and Diversifoods is by far its biggest franchisee. Horn & Hardart also franchises about 12 Burger Kings, but its chairman Barry Florescue has gained a reputation as an independent-minded operator who has at times reportedly rankled Pillsbury. At any rate, Florescue and other Jesart partners stand to make millions if they sell their Diversifoods stock to Pillsbury.

Two days before Robinson made his ruling, he prohibited Horn & Hardart from contacting any Diversifoods employees. Pillsbury had charged that Horn & Hardart was trying to woo Godfather's division president Pete Pettis. A Horn & Hardart source denied the charge and said that although Pettis had been "identified" several months ago as a candidate for the presidency of Bojangles, a 333-unit chicken chain owned by Horn & Hardart, the position was given to someone else.

Pillsbury has said that its bid for Diversifoods was not a reaction to Horn & Hardart's. It has maintained for at least a year that it wants to increase its company-operated Burger King properties from about 14% to 20% of the total 4,120-unit system. The takeover would achieve that aim.

Some major Diversifoods shareholders are said to be unhappy with Pillsbury's bid because they stand to lose money.

Duff's dealt double blow

(Continued from page 1)
Duff, who founded the chain in 1967, have purchased the assets of 11 Duff's units from Kelly-Johnston and will change their names to Stacey's Buffet and Stacey's Marketplace Buffet.

The two moves leave Kelly-Johnston with nine company-owned Duff's and the rights to about 50 franchised restaurants. When Kelly-Johnston purchased the chain in 1983, it consisted of 24 company stores and 109 franchises.

"We've taken down all the Duff's signs," said Bill May, president of Sunbelt Paragon. "We are no longer part of the Duff's system."

May said Sunbelt Paragon, which recently shuttered three Duff's in New Mexico and Texas, would change its name to Choice Restaurants Inc. The first official Choice restaurant, scheduled to open this month in Moline, Ill., will feature an "upgraded menu comparable to the better cafeteria chains," he said. The Choice will offer carry-out service as well.

The Duff family, which owns 7.2% of Kelly-Johnston common stock, acquired the 11 restaurants in exchange for the assumption of liabilities and future lease payments totaling $15.9 million and the responsibility for $8.1 million of Kelly-Johnston loan guarantees.

Another shareholder, William Wipperfurth, purchased six restaurants and will share the liabilities with the Duffs. He is expected to keep his restaurants in the system.

IN MAY the Duffs and Wipperfurth said they were considering shareholder support to elect new directors. However, as part of the sale agreements, both parties relinquished voting rights of their stock to Kelly-Johnston for five years.

Kelly-Johnston, once one of the most promising companies in the food-service industry, sought Chapter 11 protection from creditors in April. At the time, the company listed $8 million in assets and $62.8 million in liabilities.

Its three restaurant divisions—Duff's, 17 Chi-Chi's franchises and seven Joe Kelly's seafood dinnerhouses—listed assets of $10.1 million and liabilities of $49.5 million.

Homer Duff said he was hopeful that Kelly-Johnston would be able to straighten out the chain that bears his name. "I think it will be smaller, with fewer franchises," Duff predicted. "Hopefully, they'll be able to get down to a size where they can manage it."

— **Mark Schoifet**

MUFSO winners named

(Continued from page 1)
Walt Disney World and associates; Jeffrey Campbell, chairman of Burger King and a leading force in the "Battle of the Burgers" and in the "reformulation" of the Whopper; Raymond Danner, chairman and driving force of Shoney's Inc. (Shoney's Restaurants, Captain D's, Lee's Famous Recipe); Arthur Gunther, president of Pizza Hut, who brought Personal Pan Pizza to the fore; J. Willard Marriott Jr., president of the Marriott Corp., a hotel and food-service chain power, and Daniel Scoggin, president and molder of the T.G.I. Friday's chain, which tops $3.3 million average annual per-unit sales.

They will be honored, along with 1985 Pioneer award winner Burger King founder James McLamore, at *NRN*'s annual MUFSO awards banquet on Tuesday evening, Oct. 15.

Among a myriad of headline speakers at the Oct. 13-16 MUFSO conference will be Television Bureau of Advertising sales vice president Robert Baker, National Restaurant Association president Ted Balestreri, Chili's chairman Norman Brinker, Campbell, Pizza Hut founder Frank Carney, Collins Foods chairman James Collins, Imasco USA (Hardee's) chairman Jack Laughery, General Mills Restaurant Group president Joe Lee, Flakey Jake's chairman Robert Luckey and Lettuce Entertain You Enterprises president Richard Melman.

The conference will be keyed to prime strategies for gaining wider market shares in a variety of panels, workshops and discussion sessions.

Pillsbury buys Quik Wok

(Continued from page 1)
nigan's, Steak & Ale, and J. J. Muggs—and Häagen-Dazs Shoppes.

The acquisition follows General Mills' purchase of Leann Chin, a four-unit chain of buffet and take-out restaurants in the Twin Cities area. Many experts predict the Chinese restaurant category, now dominated by family-run operations, will be the next chain battleground.

Other key players in the segment include Nankin Express of Eden Prairie, Minn.; Eggroll Express of Tulsa, and Xian of Westmont, Ill., in which former Diversifoods president Donald N. Smith owns a 10% interest.

Quik Wok was founded in 1980 by Connie Andrews, president and chief executive, and Kenneth Lau, chief operating officer. Neil Ostman, vice president and controller, rounds out the management team.

The chain evolved from Golden Wok, a three-unit full-service Chinese dinnerhouse operation started by Andrews 13 years ago in San Antonio. Eight years later she and Lau, then her employee, opened the first Golden Wok fast-food offshoot. Lau, who was raised in China and trained in Hong Kong, began as a chef and brought to Quik Wok a first-hand knowledge of Chinese cuisine.

N.J. training 41 workers

(Continued from page 4)
jobs in the area . . . [and] there are loads of them," Staltare said.

After the students successfully complete the course, he said, they will be able to seek positions as prep cooks, short-order cooks and pantry assistants, which pay between $4.50 and $6 an hour.

A $125,000 contract by the county's Office of Employment and Training is funding the program. Three faculty members are overseeing the project.

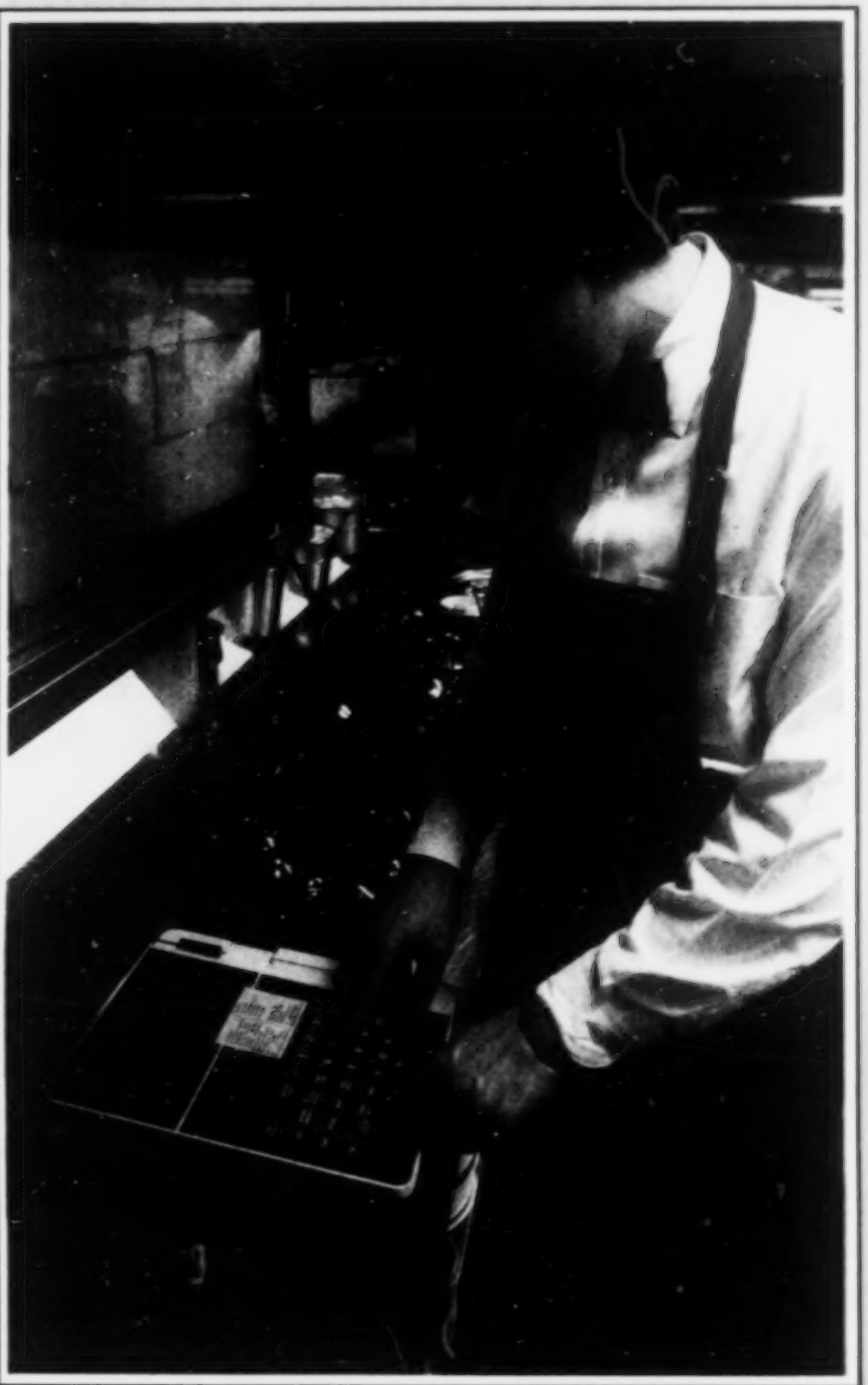
The two-year-old Institute of Culinary Arts graduated its first class last month. Its two-year program, which leads to an associate in applied arts degree, costs $5,500 in tuition. Staltare, who formerly was a dean of the culinary division at Johnson-Wales College in Providence, R.I., heads the program.

COMPUTER USAGE

Modern technology continues to make an ever-greater impact on food service. *NRN* takes a look at the way restaurateurs are using automated systems to get better results from their operations.

Since the publication of the first Restaurant Technology supplement to *Nation's Restaurant News* a year ago, the computerization of the food-service industry has continued to make considerable progress. Judging by recent surveys, more than half of all restaurants—though perhaps not counting smaller, mom & pop units—now use modern technology as an increasingly indispensable aid in their operations. And of those who don't yet enjoy the fruits of microchip technology, a full one-third say they'll be installing computerized systems within the next two years.

To be sure, much of the action still is in the front-of-the-house. More and more point-of-sale terminals and electronic cash registers are finding their way into restaurants, giving operators a better grip on such data as daily financials, inventory levels and costs, labor expense and timekeeping and recipe costs. But as some of the articles in this supplement detail, the computer revolution is stirring things up as well in areas other than the cashier's station. California-based Carl Karcher Enterprises, for example, which operates Carl's Jr. restaurants, is now equipping its regional offices with personal computers to give area supervisors a daily readout of the strengths and weaknesses of the unit they're responsible for. Ponderosa is testing a unit-level PC system to, in the words of a chain vice president, "take our managers out of the office and put them in the dining room." Institutional food-service operators like the one at United Hospitals in St. Paul,



In a study, 62% of respondents said they've computerized their operations.

*Types of Information/Reports Currently, or Projected to be, Produced by POS/ECR Systems**
(Among respondents using POS/ECR systems)

	Total %	Chain			Independent %
		Fast Food %	Family Restaurant %	Dinner-house %	
Daily financial	78	79	60	89	88
Inventory unit levels	53	56	45	56	56
Inventory dollar values	51	59	25	67	50
Food items based on recipe explosion	51	53	55	61	31
Labor costs per hour	48	56	40	50	38
Labor timekeeping	45	59	20	50	44
Recipe costs	34	38	30	39	25

**Adds to more than 100% due to multiple responses*
Source: *NRN* State of Computerization in Foodservice Industry Trade Study

Minn., are thinking about installing such systems as electronic bid ordering to greatly facilitate purchasing decisions.

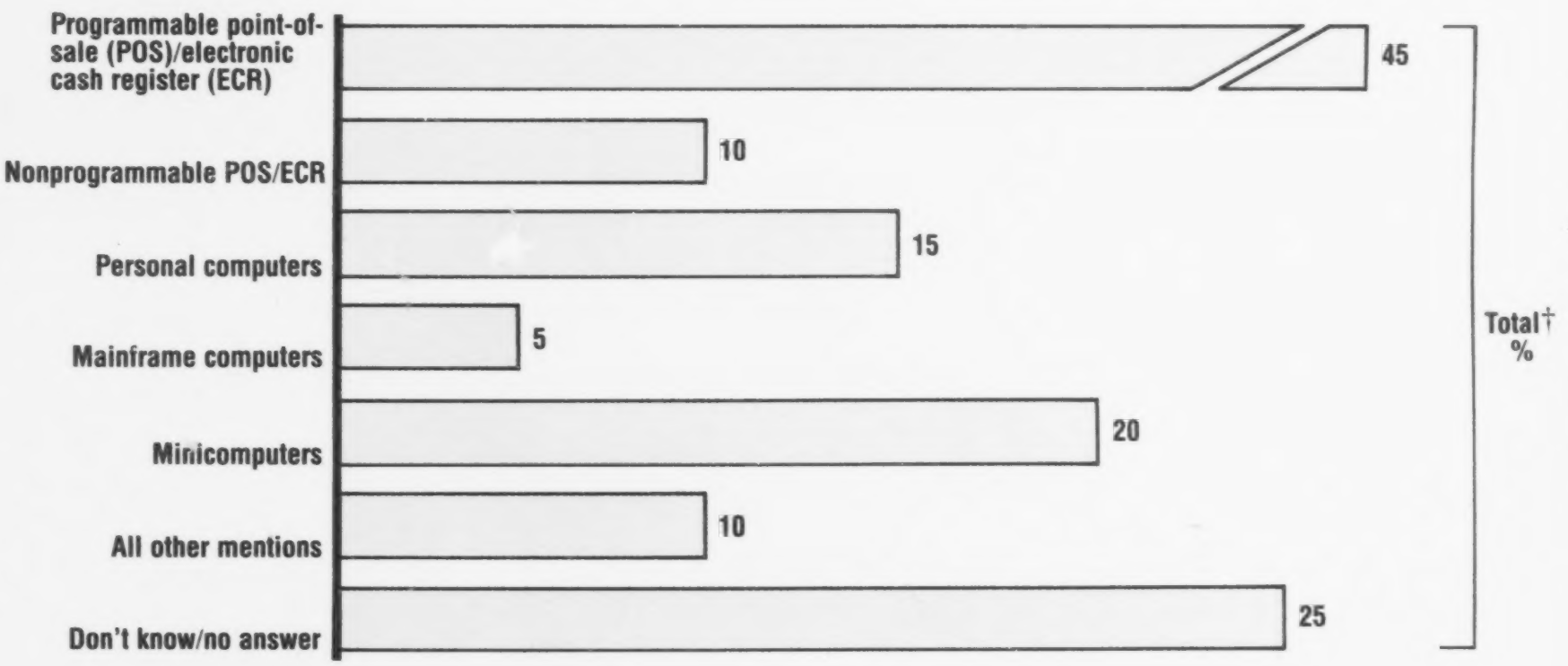
Meanwhile, manufacturers are putting their inventive talents to work and are coming up with evermore sophisticated equipment specifically designed for the food-service industry. One example of such efforts is the electronic order pad that replaces a server's traditional order book. One company that's currently testing the device is Spectrum Foods, which has equipped waiters and waitresses at its MacArthur Park restaurant in Palo Alto, Calif., with them to improve service and reduce labor costs. The devices are handheld cordless computer terminals tied to larger units with paper printout capability in the bar, kitchen and manager's office. The idea is to eliminate the need for service staff to run to the kitchen to post and check orders, thus permitting them to spend more time in the dining room with their customers. Whether such new fangled devices will catch on in many restaurants remains to be seen—even some of their proponents admit that such electronic gear might look funny in, say, a very upscale French restaurant—but they're bound to find some uses, for example, in hotel pool-side service. The point, says Mike Speer, a Chicago C.P.A. and expert in food-service technology, is that computerization, whatever its forms, will take an ever-tighter hold of food-service operations across the country.

To get a better insight into the state of computerization in the industry, *NRN* surveyed more than 160 independent and chain restaurant operations, which, taken together, account for billions of dollars of f&b sales, and represent the country's on-premise food-service spectrum. The study found that 62% of all respondents use one or another computerized system in their operations. Of those who don't, 33% indicated they'll be installing computerized systems within the next two years.

Highest on their shopping lists are programmable point-of-sale/electronic cash register (POS/ECR) systems, though some are also planning to install back-room systems—minicomputers, PCs or a mainframe. A typical statement of what the operators expect from computerization—and an indication of modern technology's most essential benefits—was the following: "We are looking to speed up and get rid of a lot of mistakes. We hope to improve table turnover. We're looking for cost accountable breakdowns and it should help with labor control."

Among those who already use

*Planned Computer Systems**
(Types of systems respondents currently using no computers plan to install within the next two years)



**Adds to more than 100% due to multiple responses*
†Analyzed in total only due to insufficient bases
Source: *NRN* State of Computerization in Foodservice Industry Trade Study

computerized systems, nearly 8 out of 10 have programmable POS/ECR's. Of the most complex back-room systems, personal computers are the most popular; 39% of all respondents who use computer systems use PCs; 22% have a mainframe, while minicomputers can be found at 20%. Modern technology still hasn't made great inroads into the kitchen, however: computer controlled cooking equipment, for example, has been installed at a mere 13% of operations, while only 12% have kitchen printers.

The study indicates that restaurateurs who plan to install POS/ECR systems need not fear that it's going to take their employees a very long time to get comfortable with the equipment. On the average, restaurant personnel became proficient in operating the systems within 6.3 days.

The most-used functions of front-of-the-house systems are daily financials and reports on inventory unit levels and dollar values, labor costs by hour, labor timekeeping, food items consumed based on recipe explosion and recipe costs. Back-of-the-house systems, where available, are used for financial accounting, f&b control and planning and budgeting. In the financial accounting area, the most common functions are sales accounting, accounts payable, monthly P&L, general ledger and payroll. Food inventory, menu sales analysis, recipe costing and menu explosion are top functions in food and beverage control, while budget preparation, cash flow forecast, variance analysis and long-term planning are most often used in the planning and budgeting area.

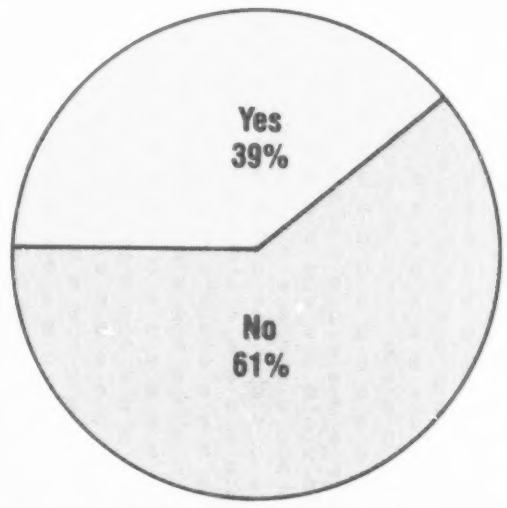
And whom do restaurateurs consult when considering the purchase of a computer system? Most frequently, they turn to manufacturers' salesmen, or use personal contacts. Surprisingly, a mere 2% of the survey's respondents said they go to independent consultants, who are precisely the people a number of computer experts say should be looked up for advise. Their point is that consultants are usually not beholden to any one supplier, and so won't try to push a particular system.

Functions Currently, or Projected to be, Performed by Back-of-the-House Systems*
(Among respondents using back-of-the-house systems)

	Total %	Chain: Fast Food %	Chain: Family Restaurant %	Chain: Dinner-house %	Independent %
FINANCIAL ACCOUNTING					
Accounts payable	86	76	91	91	93
Sales accounting	81	71	91	82	86
Monthly P&L	77	76	64	82	86
General ledger	77	71	73	82	86
Payroll	75	76	55	91	79
Accounts receivable	70	52	64	82	93
Weekly P&L	44	48	18	46	57
Purchasing	39	33	45	27	50
FOOD AND BEVERAGE CONTROL					
Food inventory	65	62	55	64	79
Menu sales analysis	53	67	45	45	43
Recipe costing	51	48	45	64	50
Menu/food item explosion	44	48	36	55	36
Quality control	30	24	36	45	21
Automatic pouring system	18	19	—	36	14
PLANNING AND BUDGETING					
Budget preparation	60	62	45	73	57
Cash flow forecast	56	67	45	73	36
Variance analysis	51	48	45	73	43
Long term planning	46	38	36	73	43
Marketing plans	25	29	18	9	36
Automatic timing of (HVAC) heating ventilation and air-conditioning	11	5	9	9	21
Automatic timing of cooking equipment	7	5	9	9	7

*Adds to more than 100% due to multiple responses
Source: *NRN* State of Computerization in Foodservice Industry Trade Study

Incidence of POS/ECR and Non-POS Systems Interfacing With Each Other
(Among respondents using both front and back-of-house systems)



Source: *NRN* State of Computerization in Foodservice Industry Trade Study

Types of Computerized Systems Used in Establishments*
(Among respondents using computerized systems)

	Total %	Chain: Fast Food %	Chain: Family Restaurant %	Chain: Dinner-house %	Independent %
Programmable point-of-sale (POS)/electronic cash register	78	78	82	89	67
Nonprogrammable POS/ECR	20	22	41	11	4
Personal computers	39	38	32	44	42
Mainframe computers	22	24	27	28	8
Minicomputers	20	27	18	11	17

*Adds to more than 100% due to multiple responses
Source: *NRN* State of Computerization in Foodservice Industry Trade Study

FINANCIAL NEWS

NRN Index slips 0.1 to 129.6; losers outpace gainers

NEW YORK — As broader averages surged upward, the *Nation's Restaurant News* Food-Service Operators Index slipped for a second week, losing the minimum calculable 0.1 point, closing at 129.6 for the week ended June 21.

Issues declining in price outnumbered advancers 52 to 36, with 28 unchanged, on the full 116-issue *NRN* listing.

The Dow Jones Industrials Average rose 24.75 in the week, to 1324.48, 193.41 points ahead of the year-ago level. Traders said talk of a General Foods-Phillip Morris merger buoyed the index. Wider averages rose on technical factors stemming from index futures, analysts said.

Godfather's franchisee Concept Development led the percentage price losers list, down $3.63, to $12.13, on volume 152% heavier than its 12-week average.

Chefs International, a seafood dinnerhouse chain, led the price winners roster, up 19¢, to 69¢.

Vie De France led the volume-surgers list with a 330% rise in trading, or 465,300 shares. Diversifoods traded 280,300 shares, an 88% drop in activity, the steepest drop of the week.

Among some of the most widely held issues, McDonald's gained 50¢, to $67.38. Wendy's lost 38¢, to $17.75. Church's was off 13¢, to $17.75. Shoney's, up 75¢, to $30.25.

T.G.I. Friday's, down 13¢, to $10.13. Saga, off 63¢, to $26.75.

VOLUME TREND LEADERS

(Volume Trend Change, in %)

Vie de France	M	330.0	Collins Foods	N	89.4
Restec Systs	O	330.0	Churchs Fr Ch	N	83.2
Natl Pizza	M	264.1	Rest Systems	M	78.6
Concept Dev	M	151.8	Ponderosa Sys	N	77.1
El Chico	M	128.5	Consul Restaurant	M	77.1

TOP TEN GAINERS

(Weekly Price Change, in %)

Chefs Intl	O	37.5	Vie de France	M	7.5
USACafes	M	17.6	Servico Inc	M	7.1
Collins Foods	N	8.7	Cainy Food	M	6.5
Kapok Cp	A	8.3	Chi-Chi's	M	6.1
El Chico	M	8.1	Cracker Barrel	M	5.8

TOP TEN LOSERS

(Weekly Price Change, in %)

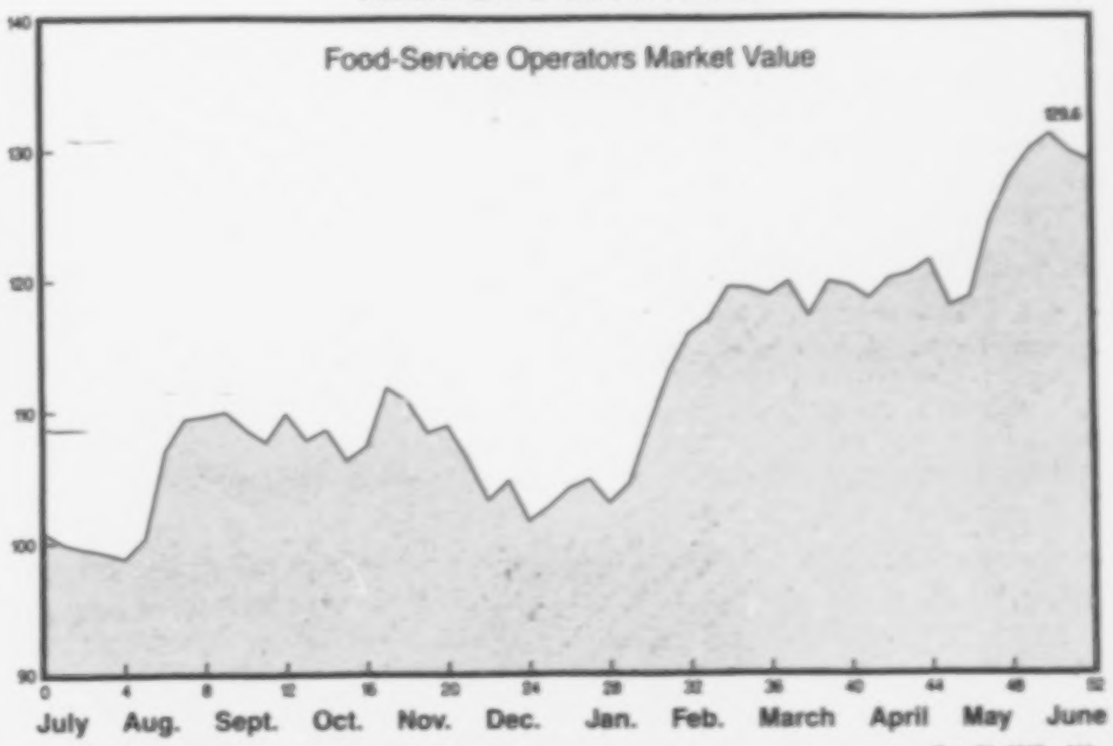
Concept Dev	M	- 23.0	Lifestyle Rest	A	- 10.5
1 Potato 2	O	- 19.2	El Pollo Asa	O	- 10.3
Esteban Foods	O	- 19.0	Fuddruckers Inc	M	- 9.1
Calibre Cp	M	- 17.4	Garcias Scot	M	- 8.7
TGIF Texas	O	- 11.1	Good Taco	M	- 8.3

Stock Market / Financial Update

Company and Market	6-21-85 Close	Weekly Change Amt.	Weekly Change Pct.	Weekly Range High	Weekly Range Low	52-Week Range High	52-Week Range Low	Volume Weekly Shares Traded Total	Volume Weekly Shares Traded % Out	Volume 12-Week Avg. Vol. As % Out	Volume Trend Change	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report New Report	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Amt.	Latest Quarter Revenue Chg.	Latest Quarter Net Income Amt.	Latest Quarter Net Income Chg.	Latest Quarter E.P.S. Amt.	Latest Quarter E.P.S. Chg.	Year-to-Date Revenue Amt.	Year-to-Date Revenue Chg.	Year-to-Date Net Income Amt.	Year-to-Date Net Income Chg.	Year-to-Date E.P.S. Amt.	Year-to-Date E.P.S. Chg.
	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Food-Service Operators																													
A&M Food Svcs M	5.88	- .13	- 2.1	6.00	5.75	7.13	3.50	54	.15	.67	- 77.6	17.8	.00	.0	—	3 mos.	03-85	7.9	23.4	.3	.0	.08	14.3	7.9	23.4	.3	.0	.08	14.3
Acapulco Rests M	4.50	- .25	- 5.3	4.75	4.25	5.38	3.50	150	.60	.76	- 21.1	32.1	.00	.0		6 mos.	04-85	10.4	1055.6	.1	- 80.0	.05	- 75.0	19.9	114.0	.0	- 100.0	.02	- 84.6
Am Restaurants O	3.75	- .25	- 6.3	4.13	3.75	6.00	2.38	115	.50	.33	51.5	75.0	.00	.0		3 mos.	04-85	4.7	4.4	.0	- 100.0	(.01)	- 100.0	4.7	4.4	.0	- 100.0	(.01)	- 100.0
Assoc Hosts M	12.13	.25	2.1	12.25	11.50	17.13	10.88	1,488	3.36	2.00	68.0	16.4	.12	1.0	—	6 mos.	03-85	22.9	- 5.8	.7	- 36.4	.16	- 36.0	45.4	- 3.6	1.4	- 26.3	.32	- 25.6
Bakkara Natl M	19.00	- 1.00	- 5.0	19.63	19.00	21.75	10.75	813	2.80	4.77	- 41.3	17.8	.00	.0	—	fiscal	03-85	27.3	226.9	1.3	85.7	.45	50.0	67.0	238.4	3.1	121.4	1.07	91.1
Bob Evans Farms M	21.50	.75	3.6	21.50	20.25	21.50	14.75	813	.50	.73	- 31.5	19.4	.30	1.4	—	fiscal	04-85	56.7	10.3	4.4	12.8	.27	12.5	227.7	12.9	18.1	12.4	1.11	13.3
Calibre Cp M	2.38	- .50	- 17.4	2.75	2.13	5.13	.63	220	.73	.52	40.4	NE	.00	.0	—	6 mos.	01-85	3.6	2.9	(1.1)	NE	(.38)	NE	7.1	6.0	(1.8)	NE	(.60)	NE
Caley Food M	12.38	.75	6.5	12.38	11.63	13.25	8.13	253	.56	2.03	- 72.4	18.2	.16	1.3	—	fiscal	02-85	15.7	18.0	.8	60.0	.18	63.6	54.3	24.5	3.1	47.6	.68	30.8
Capt Crab M	1.81	- .13	- 6.5	1.94	1.75	3.13	1.38	1,376	.90	1.63	- 44.8	NE	.00	.0		6 mos.	02-85	1.7	240.0	(.5)	NE	(.04)	NE	3.3	200.0	(1.1)	NE	(.08)	NE
Carrols Cp N	8.75	.00	.0	9.00	8.63	11.50	7.88	295	.38	.67	- 43.3	11.8	.07	.8	—	9 mos.	02-85	34.6	19.3	.9	80.0	.12	50.0	109.2	20.7	4.8	41.2	.82	10.7
Chefs Intl O	.69	.19	37.5	0.94	0.50	1.06	.38	1,541	.80	.46	73.9	NE	.00	.0	—	fiscal	01-85	4.0	- 18.4	(1.8)	NE	(.09)	NE	20.9	- 4.1	(2.7)	NE	(.14)	NE
Chi-Chi's M	10.88	.63	6.1	10.88	10.13	18.13	9.38	8,121	3.01	2.63	14.4	17.3	.00	.0	—	9 mos.	01-85	51.7	16.2	2.6	- 40.9	.10	- 28.6	149.2	27.3	12.1	- 2.4	.45	- 6.3
Chili's Inc M	26.13	- .63	- 2.3	26.75	26.13	28.88	12.75	148	.32	2.37	- 86.5	33.9	.00	.0	—	9 mos.	03-85	17.3	66.3	.8	100.0	.17	112.5	48.3	57.3	2.7	125.0	.58	87.1
Churchs Fr Ch N	17.75	- .13	- .7	18.13	17.38	20.25	12.75	9,044	2.40	1.31	83.2	15.3	.44	2.5	—	3 mos.	03-85	116.3	11.4	7.9	17.9	.21	16.7	116.3	11.4	7.9	17.9	.21	16.7
Collins Foods N	23.50	1.88	8.7	23.75	21.50	23.75	11.75	2,122	1.61	.85	89.4	17.0	.16	.7	—	fiscal	04-85	124.0	18.9	4.4	22.2	.33	22.2	468.6	19.1	18.3	18.8	1.38	16.9
Concept Dev M	12.13	- 3.63	- 23.0	15.75	10.75	16.75	5.75	5,532	10.70	4.25	151.8	NE	.00a	.0	—	9 mos.	03-85	28.1	212.2	(1.2)	- 100.0	(.23)	- 100.0	30.2	9.4	(1.2)	- 100.0	(.23)	- 100.0
Consol Prdts M	4.00	- .25	- 5.9	4.25	4.00	5.88	4.00	135	.41	.33	24.2	12.1	.08	2.0	—	6 mos.	03-85	18.6	- 4.6	.0	NC	(.02)	NC	33.8	- 3.4	.3	- 25.0	.08	- 20.0
Consul Restaurant M	3.63	- .13	- 3.3	3.75	3.38	13.50	3.38	1,692	3.72	2.10	77.1	NE	.00	.0	—	9 mos.	02-85	21.0	32.1	(3.3)	- 100.0	(.72)	- 100.0	63.0	32.6	(3.7)	- 100.0	(.82)	- 100.0
Cracker Barrel M	13.75	.75	5.8	13.75	13.00	23.50	11.75	251	.70	1.29	- 45.7	19.1	.14	1.0	—	9 mos.	04-85	16.0	16.8	.3	- 40.0	.07	- 61.1	46.8	18.2	.9	- 35.7	.26	- 50.0
Cucos Inc O	4.50	- .25	- 5.3	5.00	4.50	5.75	2.75	30	.17	.27	- 37.0	34.6	.00	.0	—	6 mos.	12-84	1.5	87.5	.1	NC	.04	.0	3.2	113.3	.1	.0	.07	.0
Diversifoods M	11.26	.00	.0	11.50	11.38	14.63	8.00	2,803	.83	7.13	- 88.4	27.7	.34	3.0	—	3 mos.	03-85	128.2	2.0	1.3	- 76.8	.04	- 76.5	128.2	2.0	1.3	- 76.8	.04	- 76.5
DiLites Of Amer M	11.13	- .38	- 3.3	11.50	11.13	15.50	10.63	656	1.29	2.77	- 53.4	85.6	.00	.0	—	fiscal	03-85	4.0	185.7	.2	NC	.04	100.0	11.5	98.3	.5	150.0	.13	44.4
Dunkin Donuts M	23.75	- .13	- .5	23.88	23.63	23.88	13.44	767	1.07	2.19	- 51.1	17.6	.24	1.0	—	6 mos.	04-85	.7	- 96.8	2.8	16.7	.38	15.2	24.7	- 41.3	5.4	14.9	.74	15.6
El Chico M	11.63	.88	8.1	11.88	10.75	11.75	7.25	1,828	3.93	1.72	128.5	14.9	.00	.0	—	9 mos.	02-85	20.6	6.7	.9	.0	.19	- 5.0	61.8	7.1	2.7	.0	.58	- 3.3
El Pollo Asa O	7.63	- .88	- 10.3	8.50	7.63	9.50	2.75	367	2.18	3.41	- 36.1	NE	.00	.0	—	fiscal	03-85	.7	250.0	.0	NE	.01	NE	2.5	212.5	(.5)	NE	(.39)	NE
El Torito Rest N	17.75	- .25	- 1.4	18.38	17.63	19.25	9.75	986	.89	.86	3.5	17.4	.00	.0	—	3 mos.	03-85	65.4	11.8	2.2	37.5	.19	35.7	65.4	11.8	2.2	37.5	.19	35.7
Fast Food Oper O	.69	.00	.0	0.75	0.69	1.63	.63	159	.27	.41	- 34.1	22.9	.00	.0	—	fiscal	12-84	2.0	25.0	.0	- 100.0	.00	- 100.0	8.0	31.1	.2	- 33.3	.03	- 50.0
Finley Jakes M	5.50	- .25	- 4.3	5.63	5.25	8.75	5.13	1,317	1.90	1.87	1.6	NE	.00	.0	—	3 mos.	03-85	5.3	253.3	(.5)	NE	(.07)	NE	5.3	253.3	(.5)	NE	(.07)	NE
Folks Rest O	2.50	.00	.0	3.50	2.50	7.38	2.50	27	.18	.28	- 35.7	NE	.00	.0	—	fiscal	12-84	1.2	100.0	(.1)	NC	(.06)	NC	5.0	100.0	(.4)	NC	(.26)	- 100.0
Frester Cooker O	.63	.00	.0	1.00	0.63	6.75	.25	313	1.40	1.04	34.6	NE	.00	.0	—	fiscal	12-84	.9	50.0	(3.3)	NE	(.52)	NE	3.6	50.0	(2.2)	NE	(1.08)	NE
Frisch's A	24.63	.50	2.1	24.63	23.88	25.50	13.38	56	.13	.25	- 48.0	20.9	.22	.9	—	9 mos.	02-85	27.2	3.0	.4	33.3	.10	25.0	96.8	5.7	3.3	10.0	.76	10.1
Fuddruckers Inc M	6.25	- .63	- 9.1	6.63	6.00	15.13	6.00	3,041	4.67	4.28	9.1	NM	.00	.0	—	3 mos.	03-85	10.1	146.3	.1	NE	.02	NE	10.1	146.3	.1	NE	.02	NE
Garcias Scot M	2.63	- .25	- 8.7	2.81	2.63	5.50	1.63	522	.87	1.56	- 44.2	NE	.00	.0	—	3 mos.	03-85	16.3	- 4.7	.4	NE	.07	NE	16.3	- 4.7	.4	NE	.07	NE
Good Taco M	.69	- .06	- 8.3	0.75	0.63	3.25	.25	276	.93	1.56	- 40.4	NE	.00	.0	—	9 mos.	11-84	.2	100.0	(.5)	NE	(.20)	NE	1.0	150.0	(1.1)	NE	(.44)	NE
Hamburg Hamlet O	14.50	.25	1.8	15.00	14.25	15.25	10.50	6	.08	.29	- 72.4	7.8	.00	.0	—	9 mos.	12-84	9.4	6.8	.3	.0	.39	- 11.4	28.7	9.5	1.1	83.3	1.56	81.4
Hungry Tiger M	4.63	.00	.0	4.88	4.63	6.50	3.63	301	1.04	.90	15.6	NE	.00	.0	—	6 mos.	02-85	14.5	- 8.8	(.4)	- 100.0	(.12)	- 100.0	28.9	- 6.8	(.5)	- 100.0	(.16)	- 100.0
Intl Dairy Queen O	51.00	.50	1.0	53.00	50.00	51.00	39.00	21	.11	.11	.0	14.0	.00	.0	—	3 mos.	02-85	27.2	- 2.2	.8	14.3	.38	18.8	27.2	- 2.2	.8	14.3	.38	18.8
Intl King Tab M	18.75	.00	.0	19.00	18.50	24.75	13.41	1,391	4.84	2.97	63.0	13.4	.00a	.0	—	9 mos.	03-85	24.3	1.7	1.5	25.0	.48	14.3	61.7	3.9	3.3	17.9	1.11	13.3
JB's Rest M	14.13	.38	2.7	14.25	13.75	15.50	7.84	1,182	3.38	5.52	- 38.8	17.7	.16	1.1	—	6 mos.	03-85	18.0	35.3	.3	.0	.07	- 22.2	36.7	38.5	.9	.0	.24	- 4.0
Jerrico Inc M	20.13	- .50	- 2.4	20.75	20.13	21.50	13.50	3,821	2.42	3.99	- 39.3	14.8	.12	.6	—	9 mos.	03-85	122.3	.2	4.3	- 4.4	.27	- 6.9	377.6	5.6	14.7	8.9	.93	8.1
Kapok Cp A	3.25	.25	8.3	3.38	3.00	3.88	1.13	586	2.66	1.53	73.9	5.1	.00	.0	—	3 mos.	12-84	5.2	15.6	3.9	NE	1.67	NE	5.2	15.6	3.9	NE	1.67	NE
Karcher Carl M	13.88	- .13	- .9	14.38	13.75	29.63	13.50	1,266	1.79	2.06	- 13.1	8.5	.00	.0		fiscal	01-85	75.3	8.2	1.4	- 33.3	.20	- 28.6	331.4	14.4	11.6	.9	1.64	1.2
Kelly-Johnston M	.38	.00	.0	0.56	0.31	5.00	.25	1,950	2.29	2.74	- 16.4	NE	.00	.0	—	6 mos.	09-84	32.0	60.0	(9.8)	- 100.0	.44	193.3	60.3	93.9	(13.5)	- 100.0	.00	- 100.0
Lifestyle Rest A	2.13	- .25	- 10.5	2.38	2.13	3.50	1.75	195	.34	.44	- 22.7	NE	.00	.0	—	3 mos.	01-85	17.1	- 10.9	(2.5)	NE	(.44)	NE	17.1	- 10.9	(2.5)	NE	(.44)	NE
Luby's Cafe M	31.00	.13	.4	31.13	30.13	32.50	24.00	361	.30	.66	- 54.5	20.0	.54	1.7	NEW	9 mos.	05-85	52.5	14.4	5.5	7.8	.45	7.1	144.5	17.5	13.8	12.2	1.14	11.8
Marcus Corp M	17.38	- .25	- 1.4	17.50	17.38	18.25	12.25	87	.17	.52	- 67.3	11.3	.28	1.6	—	9 mos.	02-85	27.2	5.8	.8	100.0	.16	77.8	90.9	4.2	5.6	9.8	1.10	10.0
Marriott Corp N	93.00	- .75	- .8	93.50	93.00	95.13	64.88	1,858	.72	.59	22.0	17.3	.54	.6	—	3 mos.	03-85	874.2	17.5	27.7	20.4	1.04	25.3	874.2	17.5	27.7	20.4	1.04	25.3
Maverick Rest O	3.50	.00	.0	3.75	3.50	6.25	2.25	28	.06	.41	- 85.4	43.8	.00	.0	—	fiscal	01-85	2.6	62.5	(.2)	- 100.0	(.05)	- 100.0	10.9	73.0	.4	- 33.3	.09	- 38.5
Max & Erma's O	3.00	.00	.0	3.50	3.00	4.75	2.50	41	.23	.25	- 8.0	NE	.00	.0	—	3 mos.	01-85	4.8	9.1	.1	NE	.03	NE	4.8	9.1	.1	NE	.03	NE
McDonald's Cp M	67.38	.50	.7	69.75	66.88	69.75	44.69	9,739	1.13	1.02	10.8	15.3	.90	1.3	—	fiscal	12-84	1019.7	31.5	91.2	14.1	1.02	12.1	3414.8	13.8	389.1	13.6	4.39	14.6
McFaddin Ventures M	10.38	- .13	- 1.2	10.50	10.38	12.25	9.63	340	.70	.68	2.9	15.3	.00	.0	—	3 mos.	02-85	13.2	25.7	1.2	50.0	.25	47.1	13.2	25.7	1.2	50.0	.25	47.1
Morrison Inc M	20.00	.25	1.3	20.00	19.63	20.25	15.50	2,185	1.85	1.47	12.2	13.3	.48	2.4	—	9 mos.	02-85	120.2	6.7	4.5	.0	.32	.0	358.3	6.5	14.4	- .7	1.05	2.9
Mr Steak O	2.00	.00	.0	2.13	1.88	3.13	1.13	225	.47	.90	- 47.8	NE	.00	.0		6 mos.	03-85	.9	- 94.8	(.2)	NC	(.05)	NC	14.8	- 54.7	(.1)	NC	(.03)	- 100.0
Nankin Express O	.63	.00	.0	0.88	0.63	2.38	.63	267	1.19	.84	41.7	NE	.00	.0	—	fiscal	01-85	.3	200.0	(.3)	NE	(.15)	NE	1.0	66.7	(.9)	NE	(.40)	NE
Naltons M	3.38	- .25	- 6.9	3.75	3.38	4.50	2.00	65	.29	.69	- 58.0	10.5	.00a	.0	NEW	fiscal	03-85	5.5	34.1	(.2)	NE	(.07)	NE	22.7	13.5	.7	75.0	.32	68.4
Natl Pizza M	10.00	.50	5.3	10.25	9.50	10.00	7.50	1,856	3.35	.92	264.1	14.3	.00	.0	—	fiscal	03-85	10.1	74.1	.8	166.7	.14	1300.0	40.5	35.0	3.6	33.3	.70	52.2
Ninetes Inc M	4.75	.13	2.7	4.88	4.63	10.13	4.50	1,019	2.24	2.38	- 5.9	NE	.00	.0	—	9 mos.	03-85	27.4	11.8	(2.0)	NE	(.44)	NE	93.3	6.5	(1.7)	NE	(.38)	NE
Noble Roman O	16.50	.00	.0	17.00	16.50	17.00	11.88	9	.15	.48	- 68.8	47.1	.00	.0	—	3 mos.	03-85	4.7	4.4	(.1)	NC	(.21)	- 100.0	4.7	4.4	(.1)	NC	(.21)	- 100.0
1 Potato 2 O	1.31	- .31	- 19.2	1.63	1.31	8.25	1.25	98	.45	.64	- 29.7	NE	.00	.0		fiscal	01-85	4.4	NC	(4.5)	NC	(2.08)	NC	15.4	NC	(6.0)	NC	(2.77)	- 100.0
Old Fashion Fd M	4.50	.00	.0	4.50	4.50	6.00	4.00	22	.16	.47	- 66.0	9.6	.00	.0	—	9 mos.	02-85	3.5	20.7	.2	.0	.10	- 28.6	10.3	30.4	.5	- 16.7	.34	- 22.7
Pancho Mex Buffet M	7.88	.00	.0	8.00	7.75	8.38	6.00	519	1.40	3.20	- 56.3	14.3	.13	1.7	—	6 mos.	03-85	8.5	11.8	.4	.0	.11	- 8.3	16.4	13.1	.6	.0	.20	.0
Pao Restaurants M	.31	.00	.0	0.31	0.25	2.00	.25	2,457	2.85	1.97	44.7	NE	.00	.0	—	6 mos.	12-84	5.5	- 69.6	(17.1)	NE	(1.97)	NE	13.8	- 54.0	(20.4)	- 100.0	(2.36)	- 100.0
Piccadilly Caf M	22.63	- .13	- .5	22.75	22.38	24.25	16.50	413	.88	.90	- 24.4	14.3	.80	2.7	—	9 mos.	03-85	44.0	2.6	1.3	- 40.9	.21	- 41.7	136.8	8.1	7.0	18.6	1.16	18.4

FINANCIAL NEWS

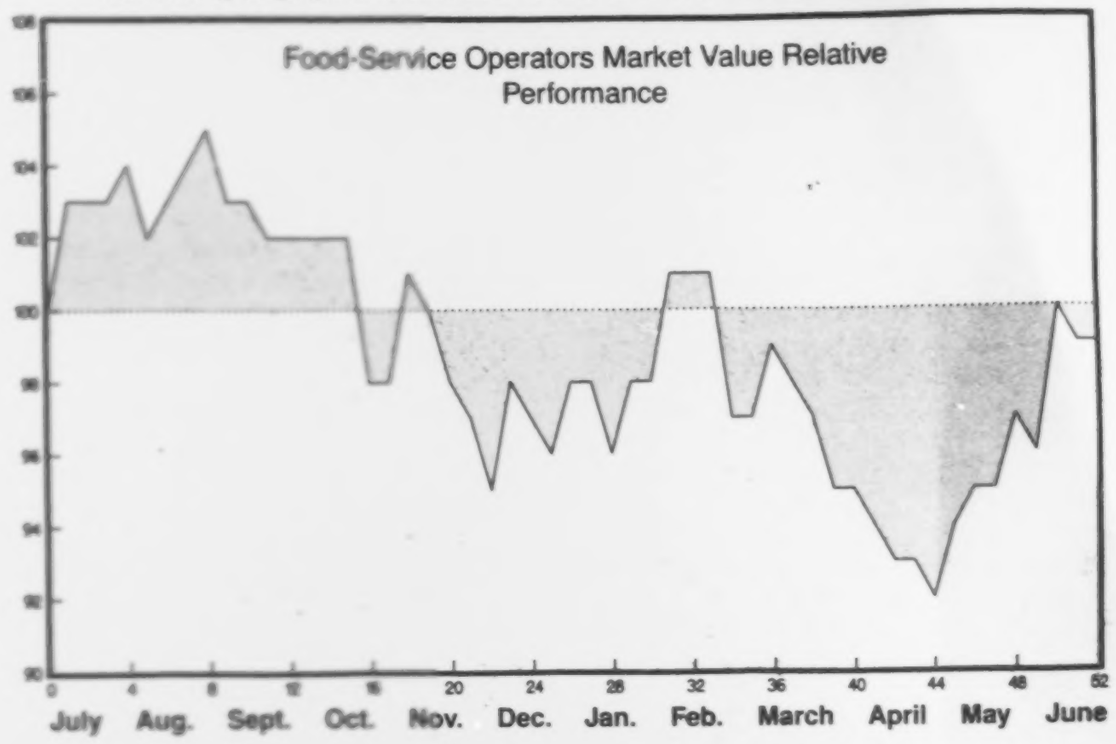
NRN *STOCK INDEX*


Food-Service Operators Market Value
140
130
120
110
100
90
0 4 8 12 16 20 24 28 32 36 40 44 48 52
July Aug. Sept. Oct. Nov. Dec. Jan. Feb. March April May June

Source: Media General Financial Services

Oct. 28, 1983 = 100

NRN *STOCK INDEX VS. DOW JONES INDEX*



Stock Market / Financial Update

Company and Market	6-21-85 Close	Price: Weekly Change Amt.	Price: Weekly Change Pct.	Price: Weekly Range High	Price: Weekly Range Low	Price: 52-Week Range High	Price: 52-Week Range Low	Volume: Weekly Shares Traded Total	Volume: Weekly Shares Traded % Out	Volume: 12-Week Avg. Vol. As % Out	Volume: Volume Trend Change	P/E Ratio	Indicated Dividend Rate Amt.	Indicated Dividend Rate Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue Amt.	Latest Quarter: Revenue Chg.	Latest Quarter: Net Income Amt.	Latest Quarter: Net Income Chg.	Latest Quarter: E.P.S. Amt.	Latest Quarter: E.P.S. Chg.	Year-to-Date: Revenue Amt.	Year-to-Date: Revenue Chg.	Year-to-Date: Net Income Amt.	Year-to-Date: Net Income Chg.	Year-to-Date: E.P.S. Amt.	Year-to-Date: E.P.S. Chg.
	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Pizza Inn A	8.00	.13	1.6	8.75	7.75	12.75	6.88	331	1.09	.85	28.2	26.7	.08	1.0	—	3 mos.	03-85	47.7	24.2	.1	- 87.5	.04	- 84.6	47.7	24.2	.1	- 87.5	.04	- 84.6
Po-Folks M	10.38	.25	2.5	10.38	9.88	16.63	8.75	379	.86	.63	36.5	14.8	.00	.0	—	6 mos.	03-85	30.2	30.2	.2	.0	.03	- 40.0	60.5	30.1	.8	- 20.0	.18	- 21.7
Ponderosa Sys N	11.00	- .13	- 1.1	11.38	10.75	21.50	10.75	3,276	3.40	1.92	77.1	24.4	.40	3.6	—	3 mos.	05-85	117.2	- 1.3	.8	- 82.2	.08	- 85.5	117.2	- 1.3	.8	- 82.2	.08	- 85.5
Primo Inc O	1.75	.00	.0	2.00	1.75	4.63	1.75	152	.45	.72	- 37.5	NE	.00	.0	—	6 mos.	03-85	.8	- 20.0	.1	.0	.03	.0	1.8	- 10.0	.2	.0	.07	16.7
RAX Restaurants M	8.00	- .50	- 5.9	8.50	7.50	16.38	7.50	750	1.11	.74	50.0	19.5	.00	.0	—	6 mos.	01-85	24.9	18.0	(.6)	- 100.0	(.08)	- 100.0	54.2	22.6	.3	- 85.0	.05	- 84.4
Rest Assoc A	8.25	- .38	- 4.3	8.63	8.25	8.88	5.38	94	.33	.52	- 36.5	15.0	.00	.0	—	fiscal	12-84	57.3	61.0	.5	- 44.4	.20	- 47.4	155.1	9.9	1.5	- 31.8	.55	- 37.5
Rest Mgmt M	16.75	.75	4.7	17.25	16.00	17.75	9.00	258	1.62	1.70	- 4.7	17.6	.00	.0		6 mos.	04-85	8.3	25.8	.5	66.7	.24	14.3	18.2	37.9	1.0	42.9	.52	20.9
Rest Systems M	15.25	.00	.0	15.25	14.50	18.50	10.00	426	1.84	1.03	78.6	16.8	.00	.0		3 mos.	05-85	10.5	1.0	.5	.0	.23	9.5	10.5	1.0	.5	.0	.23	9.5
Ritzys G D M	2.38	- .13	- 5.0	2.50	2.13	7.00	1.75	222	.43	.55	- 21.8	NE	.00	.0	—	3 mos.	03-85	3.0	7.1	(.7)	NE	(.13)	NE	3.0	7.1	(.7)	NE	(.13)	NE
Rusty Pelican M	17.00	.00	.0	17.25	17.00	18.25	11.00	144	.51	.68	- 25.0	23.0	.00	.0	—	9 mos.	04-85	13.0	39.8	.6	20.0	.24	- 4.0	34.5	40.2	1.1	.0	.42	- 20.8
Ryan's Fam M	17.00	- 1.00	- 5.6	18.00	16.75	19.25	11.34	2,004	2.89	1.65	75.2	30.9	.00	.0	—	3 mos.	03-85	10.5	56.7	1.1	37.5	.16	33.3	10.5	56.7	1.1	37.5	.16	33.3
Saga Corp N	26.75	- .63	- 2.3	27.25	26.13	35.50	24.50	888	.68	1.25	- 45.6	10.7	.52	1.9	—	9 mos.	03-85	327.3	15.2	7.6	- 7.3	.57	- 8.1	930.0	12.7	27.0	9.8	2.02	5.2
Sandwich Chef M	7.63	.38	5.2	7.63	7.13	9.00	6.75	112	.89	.60	48.3	13.4	.00	.0	—	9 mos.	03-85	7.2	9.1	.2	.0	.13	- 23.5	21.2	12.2	.5	.0	.40	5.3
Sea Galley M	8.63	- .38	- 4.2	8.88	8.63	10.25	6.50	483	1.32	2.43	- 45.7	4.0	.00	.0	—	3 mos.	03-85	14.6	- 8.8	2.0	42.9	.57	58.3	14.6	- 8.8	2.0	42.9	.57	58.3
Stoney's Inc M	30.25	.75	2.5	30.25	29.50	31.88	19.31	3,775	1.33	.95	40.0	25.4	.15	.5		6 mos.	04-85	129.6	15.0	8.9	23.6	.31	19.2	279.6	15.4	17.2	25.5	.60	20.0
Stoney's South M	13.13	- .13	- .9	13.25	13.00	16.59	12.75	127	.23	1.17	- 80.3	12.4	.00	.0	—	3 mos.	03-85	50.3	8.2	.9	- 52.6	.15	- 55.9	50.3	8.2	.9	- 52.6	.15	- 55.9
SS Cp M	4.50	- .25	- 5.3	4.75	3.75	6.75	3.25	24	.15	.37	- 59.5	NE	.00	.0	—	3 mos.	03-85	2.5	78.6	(.1)	NE	(.09)	NE	2.5	78.6	(.1)	NE	(.09)	NE
Sizzler Rest Intl M	23.00	- .25	- 1.1	23.75	22.75	24.00	12.00	237	.35	.99	- 64.6	15.9	.00	.0		fiscal	04-85	42.6	13.0	2.9	16.0	.42	16.7	159.5	11.9	9.9	23.8	1.45	23.9
Skippers M	10.25	.00	.0	10.25	9.50	12.50	8.00	328	1.20	1.21	- .8	11.4	.06	.6	—	3 mos.	03-85	15.4	14.9	.5	.0	.17	- 15.0	15.4	14.9	.5	.0	.17	- 15.0
So Hospitality M	5.00	- .38	- 7.0	5.38	5.00	5.88	3.88	905	1.81	2.31	- 21.6	14.3	.00	.0	—	9 mos.	02-85	8.3	- 6.7	.2	.0	.04	.0	29.3	14.5	1.0	25.0	.20	11.1
Stuff Yer Face O	.69	.00	.0	0.81	0.69	1.44	.59	580	.38	.54	- 29.6	NE	.00	.0	—	9 mos.	12-84	.5	.0	(.4)	NC	(.03)	NC	1.5	7.1	(.6)	- 100.0	(.04)	- 100.0
Swensens Inc O	1.50	- .13	- 7.7	1.75	1.50	3.50	1.50	131	.41	.39	5.1	NE	.00	.0	—	3 mos.	03-85	2.7	12.5	(.3)	NC	(.05)	NC	2.7	12.5	(.3)	NC	(.05)	NC
Taco Villa O	5.50	.00	.0	6.00	5.50	7.75	4.75	30	.08	.21	- 61.9	19.0	.00	.0	—	3 mos.	03-85	8.8	22.2	.3	.0	.07	- 12.5	8.8	22.2	.3	.0	.07	- 12.5
Taco Viva M	5.88	.00	.0	5.88	5.63	7.50	4.66	204	.60	1.10	- 45.5	17.3	.00	.0	—	9 mos.	02-85	5.5	- 6.8	.3	- 25.0	.10	- 9.1	17.7	8.6	.9	12.5	.27	12.5
TGI Friday's N	10.13	- .13	- 1.2	10.38	10.00	12.88	7.88	832	.72	.68	5.9	15.1	.00	.0	—	3 mos.	03-85	76.3	16.8	3.4	9.7	.19	11.8	76.3	16.8	3.4	9.7	.19	11.8
TGIF Texas O	2.00	- .25	- 11.1	2.50	2.00	3.50	2.00	18	.12	.07	71.4	NE	.00	.0	—	fiscal	12-84	3.2	33.3	(.2)	NC	(.12)	- 100.0	11.5	27.8	(.5)	NC	(.32)	- 100.0
TCBY M	18.75	.00	.0	19.00	17.38	20.50	1.81	996	2.29	4.80	- 52.3	78.1	.00	.0	—	3 mos.	02-85	2.0	185.7	.2	NC	.04	300.0	2.0	185.7	.2	NC	.04	300.0
Transworld N	36.88	- 1.25	- 3.3	38.13	36.50	39.00	25.13	4,931	1.39	2.09	- 33.5	12.0	.48	1.3	—	3 mos.	03-85	479.8	3.5	16.2	- 16.1	.40	- 14.9	479.8	3.5	16.2	- 16.1	.40	- 14.9
USACafes M	5.00	.75	17.6	5.50	4.13	5.75	2.75	2,005	3.19	1.95	63.6	14.3	.28	5.6	—	6 mos.	03-85	4.8	.0	.8	.0	.09	- 35.7	9.4	17.5	1.2	9.1	.16	- 15.8
Vicorp Restaurants M	25.25	.63	2.5	25.25	24.88	28.25	13.25	1,116	1.68	5.91	- 71.6	19.0	.12	.5	—	3 mos.	01-85	106.7	216.6	1.4	27.3	.17	6.3	106.7	216.6	1.4	27.3	.17	6.3
Victoria Stations M	3.13	.13	4.2	3.13	2.75	7.38	2.13	1,343	3.79	2.91	30.2	NE	.00	.0	—	9 mos.	12-84	27.6	- 8.0	(1.2)	NE	(.35)	NE	73.5	- 5.3	(3.7)	NE	(1.05)	NE
Wendys Intl N	17.75	- .38	- 2.1	18.13	17.50	19.13	12.19	9,480	1.29	1.40	- 7.9	18.5	.21	1.2	—	3 mos.	03-85	236.5	15.1	14.5	11.5	.20	11.1	236.5	15.1	14.5	11.5	.20	11.1
Wstn Steer M	9.00	.00	.0	9.25	9.00	12.00	9.00	49	.40	.24	66.7	15.0	.20	2.2	—	fiscal	02-85	14.4	26.3	.2	- 33.3	.22	15.8	45.4	25.8	.7	- 41.7	.60	- 41.2
Winners Cp N	6.75	.00	.0	6.88	6.38	13.38	5.13	468	1.04	1.57	- 37.7	48.2	.00	.0	—	3 mos.	03-85	24.0	- 1.2	(.6)	- 100.0	(.16)	- 100.0	24.0	- 1.2	(.6)	- 100.0	(.16)	- 100.0
Hotels, Motels, and Casinos																													
Brock Hotel Cp N	3.13	- .13	- 3.8	3.25	3.00	5.63	1.88	848	.64	.97	- 34.0	NE	.10	3.2	—	3 mos.	03-85	66.8	- 8.6	13.9	2680.0	.98	2350.0	66.8	- 8.6	13.9	2680.0	.98	2350.0
Hilton Hotels N	65.38	.75	1.2	65.38	63.00	73.50	45.50	2,047	.83	2.19	- 62.1	14.3	1.80	2.8	—	3 mos.	03-85	168.2	2.6	23.5	23.0	.94	32.4	168.2	2.6	23.5	23.0	.94	32.4
Holiday Inns N	53.00	.13	.2	53.38	51.88	57.63	35.25	3,175	1.11	1.72	- 35.5	13.3	1.00	1.9	—	3 mos.	03-85	427.2	6.4	33.7	29.6	1.08	56.5	427.2	6.4	33.7	29.6	1.08	56.5
Prime Mtr Inn N	29.75	- .38	- 1.2	30.50	29.50	32.75	13.69	1,099	.57	.87	- 34.5	26.3	.09	.3	—	9 mos.	03-85	61.9	245.8	6.0	46.3	.31	47.6	177.6	252.4	17.3	36.2	.89	34.8
Ramada Inns N	6.75	.25	3.8	6.88	6.38	8.25	5.13	4,482	1.20	1.86	- 35.5	84.4	.00	.0	—	3 mos.	03-85	137.5	- 4.3	(1.6)	- 100.0	(.04)	- 100.0	137.5	- 4.3	(1.6)	- 100.0	(.04)	- 100.0
Servico Inc M	22.50	1.50	7.1	22.50	20.75	22.50	14.78	423	1.21	.71	70.4	14.2	.00a	.0	—	3 mos.	03-85	42.0	- 2.1	.1	- 88.9	.04	- 84.6	42.0	- 2.1	.1	- 88.9	.04	- 84.6
Sonesta Intl O	22.50	.00	.0	25.00	22.50	27.00	18.00	2	.01	.07	- 85.7	7.6	.40	1.8	—	3 mos.	03-85	12.0	- 13.7	(2.1)	NE	(1.85)	NE	12.0	- 13.7	(2.1)	NE	(1.85)	NE
Other Companies with Food-Service Operations																													
Allegheny Bev M	18.63	- .13	- .7	19.25	18.13	22.63	14.25	425	.71	2.97	- 76.1	18.4	.40	2.1	—	9 mos.	12-84	NC	NC	(2.3)	- 100.0	(.37)	- 100.0	368.4	35.4	4.7	- 48.9	.75	- 49.3
Ch Full O Nut N	8.25	- .13	- 1.5	8.50	8.13	11.75	7.25	175	.37	.84	- 56.0	NM	.48	5.8	—	9 mos.	04-85	29.9	4.2	.1	- 66.7	.02	- 71.4	87.1	.2	.4	- 60.0	.09	- 59.1
Disney, Walt N	89.88	2.25	2.6	90.38	87.13	90.50	45.25	6,719	2.03	1.54	31.8	62.4	1.20	1.3	—	6 mos.	03-85	451.5	8.6	35.0	11.8	1.04	26.8	878.0	20.9	67.2	66.7	1.99	71.6
Esteban Foods O	2.13	- .50	- 19.0	2.63	2.13	2.75	1.13	113	.48	.75	- 36.0	NE	.00	.0	—	3 mos.	03-85	3.5	20.7	(.1)	NC	(.04)	NE	3.5	20.7	(.1)	NC	(.04)	NE
Gen Mills N	59.25	.88	1.5	59.88	57.88	60.63	47.75	4,041	.91	1.84	- 50.5	35.1	2.24	3.8	—	9 mos.	02-85	354.8	- 73.6	(74.1)	- 100.0	(1.64)	- 100.0	3300.6	- 22.2	35.6	- 81.5	.79	- 80.6
Grace W R N	39.88	- 1.75	- 4.2	41.63	39.63	44.50	38.50	6,797	1.40	.98	42.9	10.5	2.80	7.0	—	3 mos.	03-85	1580.0	5.5	35.5	- 22.7	.72	- 23.4	1580.0	5.5	35.5	- 22.7	.72	- 23.4
Horn & Hardart A	9.25	- .63	- 6.3	10.00	9.00	16.19	8.63	1,122	.91	1.23	- 26.0	17.8	.00a	.0		3 mos.	03-85	82.3	- 4.7	.0	- 100.0	(.01)	- 100.0	82.3	- 4.7	.0	- 100.0	(.01)	- 100.0
Ogden Corp N	28.63	.75	2.7	28.88	26.50	31.88	24.13	1,664	.87	.88	26.1	13.8	1.80	6.3	—	3 mos.	03-85	578.0	9.3	12.0	2.6	.63	3.3	578.0	9.3	12.0	2.6	.63	3.3
PepsiCo Inc N	59.38	.38	.6	59.38	57.38	60.13	39.88	19,553	2.04	1.90	7.4	15.5	1.78	3.0	—	3 mos.	03-85	1883.6	4.9	62.8	33.1	.66	32.0	1883.6	4.9	62.8	33.1	.66	32.0
Pillsbury Co N	56.00	.63	1.1	56.63	55.13	56.63	34.50	2,817	.65	.76	- 14.5	12.7	1.56	2.8	—	9 mos.	02-85	1171.2	13.1	39.5	9.1	.91	9.6	3451.2	11.7	144.5	17.4	3.33	17.7
Restec Systs O	3.50	.00	.0	4.00	3.50	5.00	3.50	77	.43	.10	330.0	NC	.00	.0	—	3 mos.	03-85	1.1	57.1	(.1)	NC	(.03)	- 100.0	1.1	57.1	(.1)	NC	(.03)	- 100.0
Vie de France M	9.00	.63	7.5	9.00	8.25	15.25	8.13	4,653	4.30	1.08	330.0	15.3	.23	2.6	—	9 mos.	03-85	18.8	16.8	1.5	- 11.8	.15	- 11.8	48.5	20.3	4.5	9.8	.42	2.4

NOTES AND EXPLANATIONS: Market: N—New York Stock Exchange. A—American Stock Exchange. O—NASDAQ Over-The-Counter. M—NASDAQ National Market. **Reporting Period:** 3 mos.—First quarter of fiscal year. 6 mos.—First six months of fiscal year. 9 mos.—First nine months of fiscal year. fiscal—Fiscal year. NEW—New report since last issue. **General Field Footnotes:** NA—Not available or not applicable. NC—Data required for calculation currently incomplete in our files. NE—Negative earnings invalidate calculations. NM—No meaningful figure. a—stock dividend. b—cash plus stock dividend. **The Charts:** The *NRN* Stock Index calculates the per cent change in the market value of food-service operators since Oct. 28, 1983. The *NRN* Stock Index vs. Dow Jones Index calculates the relative performance of the two indexes from their levels of 52 weeks ago.

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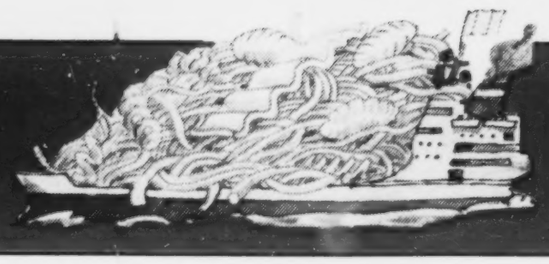
Operators plan to continue use of imported pasta despite cost —Page 3



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Hotel chains rushing to restructure assets —Page 70

Nation's Restaurant News®

The Weekly Newspaper of the Food-Service Industry

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Copeland beefs up Popeyes

Eyes expansion of dinnerhouses

By Mark Schoifet

JEFFERSON, La. — Al Copeland put his hands behind his neck and leaned back in his plush office chair. It was a moment of quiet reflection for a man who seems permanently locked in high gear.

In just a few hours, he would join several hundred of his employees at a lavish party to celebrate the 13th anniversary of the chain he started from scratch, Popeyes Famous Fried Chicken.

"I look back, and I say, 'Man, God must have picked me out and blessed me, because I don't know what I did to deserve all this,'" Copeland said.

Alvin Copeland

For 41-year-old Alvin Copeland, a 10th-grade dropout and former donut cutter, "all this" is Popeyes, one of the largest privately held franchising operations in the food-service industry, with more than $350 million in estimated annual sales. It is also Copelands, the four-unit chain of Cajun-American dinnerhouses that is gearing for national expansion. And it is a flamboyant lifestyle—including a rec-

*(See **COPELAND**, page 45)*

Labeling plan resurfaces

Chains face ingredient disclosure rules

By Ken Rankin

WASHINGTON — A sweeping new Federal rule requiring ingredient labeling of virtually all fast-food menu items—a nightmare that restaurant industry lobbyists thought was safely buried six years ago—is back under active consideration here.

The Center for Science in the Public Interest resurrected the labeling plan via petitions filed late last month, asking Reagan Administration food regulators to "lift the veil of secrecy from fast foods."

In separate petitions to the Food and Drug Administration of the U.S. Department of Agriculture, representatives from the Washington-based consumer group charged that "a variety of health problems

*(See **LABELING**, page 67)*

McDONALD'S BIG MAC
100% beef fried in beef fat, bun made from enriched flour (whey flour, malted barley, potassium bromate, niacin, iron, thiamine, mononitrate, riboflavin), water, corn syrup, salt, sesame seeds, partially hydrogenated soybean oil, calcium propionate, dough conditioner (vegetable mono and diglycerides), yeast nutrients, ammonium sulfate, calcium sulfate
BURGER KING FRENCH FRIES
Potatoes, beef fat, dextrose, disodium dihydrogen pyrophosphate
BURGER KING

Hipp, May share reins at Gilbert/Robinson

By Ken Frydman

KANSAS CITY, Mo. — Gilbert/Robinson's restaurant operations have been divided into two divisions, with Frederick Hipp, 35, at the helm of the 50-unit Houlihan's chain, and Richard May, 48, heading the 30-unit specialty restaurant group.

Before their promotions to presidents of the newly created divisions, Hipp had been executive vice president of Gilbert/Robinson and May senior vice president. They replace Ken Hill, who resigned last month as Gilbert/Robinson president.

Despite the split, Gilbert/

Hipp

May

Robinson will remain in Kansas City as an "independent and autonomous subsidiary" of New York-based W. R. Grace & Co., Hipp said.

Hill a 12-year Gilbert/Rob-

*(See **HIPP**, page 67)*

Peoples restaurants files for Chapter 11

RICHARDSON, Tex. — Peoples family restaurant chain has filed for protection from creditors under Chapter 11 of the Federal Bankruptcy Code.

Peoples had unsuccessfully attempted to raise $3 million to $5 million in refinancing through a stock offering to shareholders and by signing franchise and conversion agreements with two other chains, Capt. Crab and Studebaker's.

In the six-month period ended last Dec., Peoples lost $20.4 million on $14.4 million in revenue. The chain now op-

*(See **PEOPLES**, page 67)*

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Stein builds food-service muscle

Savvy merchandising packs Prima Donna

By Paul Frumkin

NEW YORK — The former owner of a chic downtown disco is rocking the midtown restaurant scene with a combination of savvy menu merchandising, affordable prices and easygoing service.

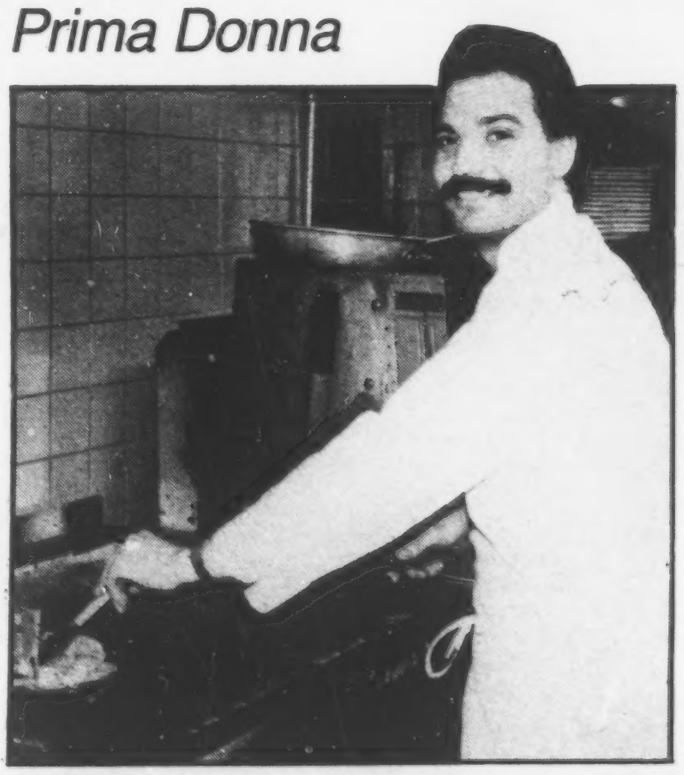
Howard Stein, the former rock 'n' roll promoter who for seven years had New Yorkers lining up to spend money at his fashionable disco, Xenon, has the folks lining up again—this time to get a table at his new restaurant on East 58th Street, Prima Donna.

Figures for the first five months of operation appear to surprise even Stein himself. The 200-seat restaurant is currently doing about 600 covers daily, seven days a week, and repeat customers already account for more than 50% of his business.

"I told investors recently that we'll probably exceed our first year's anticipated gross of $4 million," Stein said exuberantly.

And that, he was quick to point out, has been

*(See **STEIN**, page 13)*



Richard Gaimao, chef de cucina, at the grill at New York's Prima Donna restaurant.

Skipper's backs $8M loan to Zackly's parent

Seen as first step to potential merger

By Alan Liddle

BELLEVUE, Wash. — Initiating a merger, Skipper's, the 180-unit Washington-based fast-seafood chain, has agreed to lend or guarantee loans of $8 million to CulCon Systems of Florida, owner of Zackly's "country cooking" restaurants and a Pizzeria Uno franchisee.

Eugene Stone, Skipper's president, said his company's board of directors voted to guarantee the money on June 19. That action gives Skipper's the option to acquire CulCon through an exchange of stock anytime before Dec. 31, 1987. If Zackly's and the franchised pizza operation meet specified performance goals by that date, Stone said Skipper's must acquire CulCon.

"We'll probably guarantee [loans] more than we'll loan," the Skipper's official said.

Though CulCon shareholders must approve the merger, Donald Perlyn, the company's president and a Skipper's director, has reportedly briefed them on the deal and received their tentative approval.

The arrangement provides CulCon with money for growth and Skipper's corporate personnel for Zackly's march westward. Skipper's views the deal as a way to "invest in exciting new restaurant concepts," broaden its food-service base and gain corporate offices on the East Coast, where fast-seafood segment leader Long John Silver's and number-two Captain D's dominate.

"We're conducting ourselves as if the merger has been completed," Stone said, explaining it would be counterproductive to take a "hands-off" approach until CulCon performs as specified in the agreement. "We think of ourselves as merged."

*(See **SKIPPER'S**, page 67)*

Restaurateurs say they'll stick to imported pasta despite tariff

By Paul Frumkin

NEW YORK — Restaurateurs already using premium imported pasta said it is unlikely they would switch to a domestic product despite price hikes expected from President Reagan's sharply increased tariffs on European-made pasta.

However, the 40% tariff, which is scheduled to take effect on July 4, may force some operators to pass the increase along to customers in the form of higher menu prices.

Those operators contacted cited superior taste and texture as a basis for their decision to stick with the premium imported pasta.

"I have no intention of using a domestic brand," said Lidia Bastianich, co-owner of Felidia, a northern Italian restaurant in New York. "Imported pasta is much better.

"But I'm using about 30 lb. a week, and a price increase could be expensive for me," she continued. "I may not raise prices right away, but I will have to eventually."

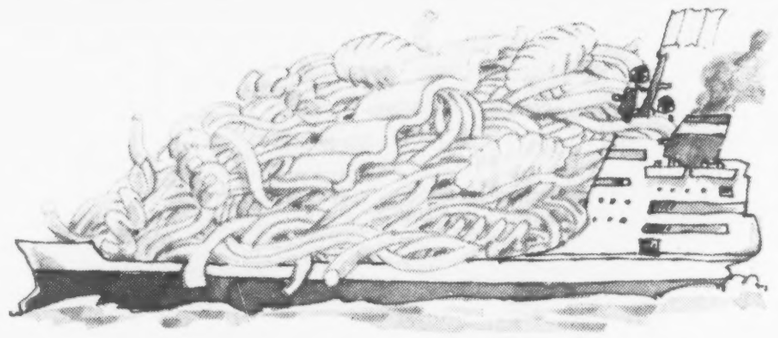
Jan Ahern, floor manager of Chicago's Spiaggia, said the restaurant would continue to use 20 to 25 lb. of imported pasta a week, "but we'll probably have to cost out each dish and reconsider the menu prices."

Vincent Bommarito, co-owner of Tony's in St. Louis, said: "I'd prefer to use domestic, but imported pasta is better. We'll probably absorb the cost hikes initially, but those costs will have to be passed on somewhere along the line."

But because those restaurateurs serving imported pasta tend not to use it exclusively, the price increase is not expected to take a devastating toll on their bottom line. Finer Italian restaurants often serve it as an adjunct to their homemade pasta—and usually in smaller quantities.

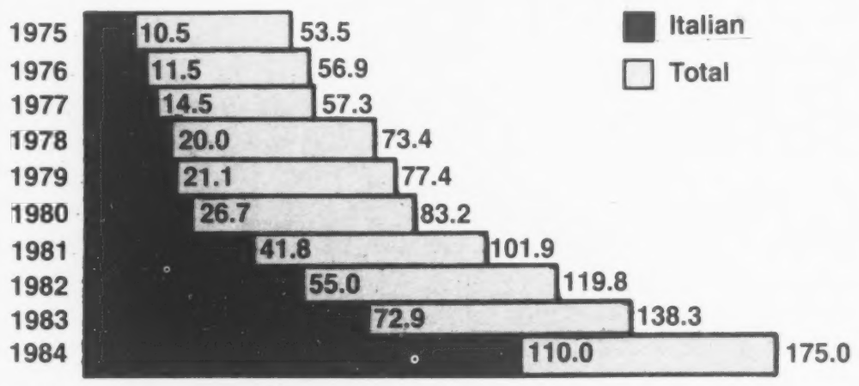
A large majority of the pasta dishes served at Felidia are prepared with pasta made from scratch, Bastianich said. At Spiaggia about 10% of the pasta served is imported. "We use

*(See **PASTA**, page 67)*

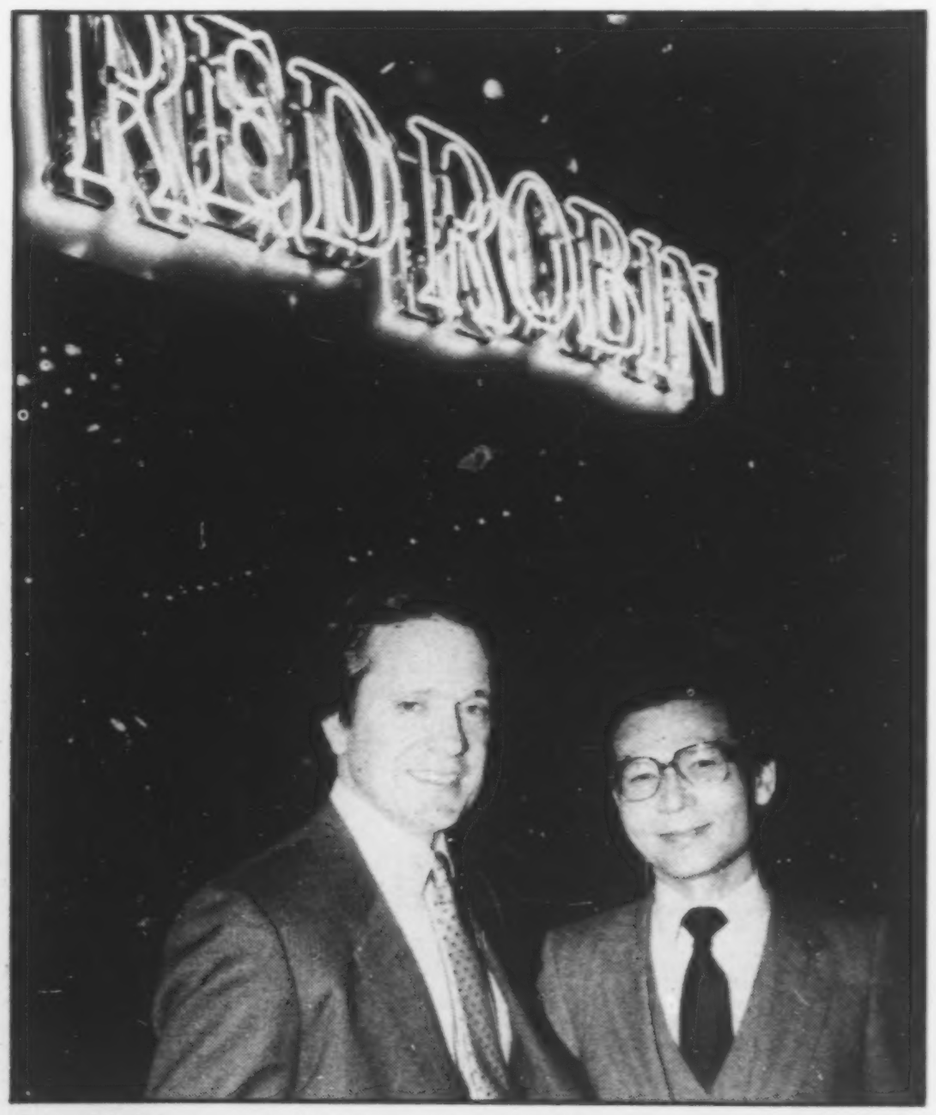


GROWTH OF PASTA IMPORTS

(In Millions of Pounds)



Source: U.S. Census, National Pasta Association



Gerald Kingen (left), founder and chairman of Red Robin, with Isamu "Sam" Nakashima, vice president of Skylark Co.

Red Robin seeks Far East aid

Japanese methods sought to find top managers

By Alan Liddle

SEATTLE, Wash. — Searching for ways to improve the quality and increase the quantity of employees, Red Robin, a 23-unit full-service "gourmet" hamburger chain, has turned for help to the Land of the Rising Sun.

Like many U.S.-based restaurant companies, Red Robin's plans to become a national chain are endangered by the looming labor shortage. It wants to add 15 units this year and reach the 200-unit level by 1989.

Unlike most American chains, however, Red Robin has a Japanese partner, Skylark Co. Ltd., Japan's largest restaurant concern. Skylark now owns 30% of Red Robin and has options to buy up to 20% more. The Japanese company is already offering some Red Robin menu items at its own restaurants and plans to open franchised units in Tokyo this year.

Red Robin officials, including Isamu "Sam" Nakashima, Skylark's representative, and Chris Stark, the company's new vice president of human resources, are developing a hybrid Japanese-American

management and personnel system. It combines Japanese business philosophy with American business' use of monetary incentives (profit sharing) and its willingness to lure away employees from other companies.

Nakashima, an author and expert on retailing in Japan and the United States, says Red Robin is striving for something akin to the lifetime employment system of many major Japanese companies.

Historically, American restaurant executives and managers have bounced from one company to the next as their careers progressed or suffered setbacks. The phenomenon has left industry trade journals resembling the sports pages of daily newspapers; each issue brings new reports of which athlete-executive has moved to which franchise.

Billy Martin, the on-again, off-again manager of the New York Yankees and a half dozen other baseball teams, would be hard-pressed to match the employment record of some food-service executives.

The annual turnover rate of

*(See **RED ROBIN**, page 16)*

LeRoy plans huge Washington restaurant

By Charles Bernstein

WASHINGTON — Warner LeRoy is at it again.

The restaurant-entertainer impresario plans to open by December a massive restaurant to be called Potomac on the Potomac River at the Washington Harbor here.

His own initial $5.5 million investment plus a $3.5 million investment by the landlord would put it in the same league as LeRoy's Tavern on The Green in Central Park.

"Potomac is envisioned for 750 seats inside and 400 seats outside," LeRoy declared. "If people again think I'm building a monument, it certainly will be a profitable one." He is transferring his Maxwell's Plum chef Michael Bourdeaux to be the Potomac chef.

LeRoy disclosed that he has been repeatedly approached by the owners of the troubled Maxwell's Plum of San Francisco, where he once had a management contract from the Hardwicke Companies, to take over ownership himself. "I doubt that I'll do it," he said. "It's just too huge [23,000 sq. ft.] a nut to handle and has marketing and banquet problems."

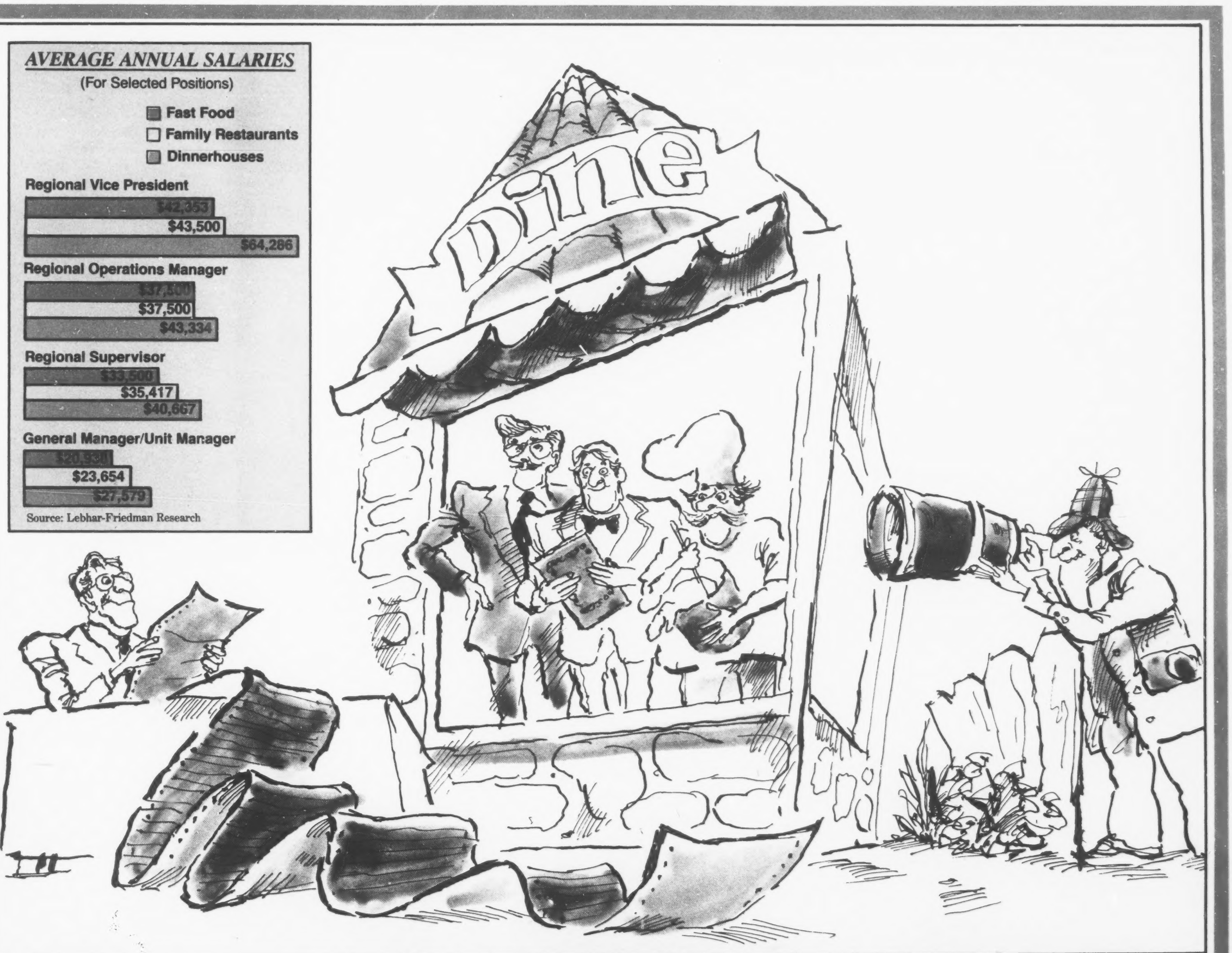
Conservative estimates place the initial investment in the San Francisco restaurant several years ago at $5.2 million and possibly as high as $8 million (if everything involved is included).

Meanwhile, LeRoy is bringing in Spago chefs Mark Peel and Nancy Silverton to juice up his 19-year-old original Maxwell's Plum in New York. He also is eying the eventual launching of a $12 million restaurant and outdoor terrace plus $6 million in food kiosks and other adornments in Bryant Park near the New York Public Library.

Warner LeRoy

Nation's Restaurant News

FOCUS



FIELD COMPENSATION

IN THIS SECTION . . .

Port: Logical Progression For the Bordeaux Lover

Restaurant News Quiz

A "mini White Kastle": No relation to White Castle.

FLASHBACK

Battle of the Castles